



2021
annual
report

econocom

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chairman's message

Econocom's business model once again proved its relevance and robustness in 2021. The commitment, tenacity and responsiveness of all our employees have made it possible to meet the needs and expectations of our customers. In a year still marked by the Covid-19 pandemic, the Group demonstrated its capacity to step up for innovation, boldness, and expressed all its talents to understand its ecosystem differently.

As a result, revenue for 2021 posted a slight 1% decrease at €2.505 billion, due to the impact of supply difficulties on the global digital asset market. Profit from current operating activities was up by 16.1% to €135.7 million, resulting in an operating margin of 5.4%, up in its three business lines. The 2021 financial year took full advantage of the restructuring plan implemented in 2019 and 2020. This result is also attributable by the refocusing of the Group's business lines in activities with higher margins, the targeted development of strategic regions in Europe and the sustainable reduction of certain overheads.

In 2021, the Group kept its net debt under control with a net book debt of €67 million compared to net cash of €20 million at the end of 2020. This change is linked to the share buybacks carried out and to the increase in the volumes of operations undergoing refinancing and proprietary activities within the Technology Management & Financing activity.

During the year, we strengthened our commitment to the circular economy with our proactive positioning as a Responsible Digital Entrepreneur. We published our first Impact Report, thereby confirming our convictions in the fight against digital waste and the digital divide. This report demonstrates the Group's vocation, since its creation, to be part of a Corporate Social Responsibility approach.

After what could be considered a pivotal year in 2021, our teams are fully mobilised to return to growth in 2022. The Group is actively looking into external growth opportunities in order to strengthen its positioning in its three key business lines in the target key regions.

Jean-Louis Bouchard

Chairman of the Board

01

business model

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1. One Digital Company

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

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

Managing complex demand

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

What we do

The Group is one of the few to be able to coordinate and take overall responsibility for the entire business chain of a digital project: from equipment, to services, to their customised financing with a pay-as-you-go solution...

How we do it

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

What makes us different

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

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

The Econocom Galaxy

AN AGILE STRUCTURE SERVING SUSTAINABLE DIGITAL TRANSFORMATION

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

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

At Econocom we work to serve our clients, independent of manufacturers, telecoms operators, software publishers and financial firms. We have been a pioneer in the digital sector for 49 years. The group is the only market player that combines technological and financial expertise through three business lines.

EQUIPMENT

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

SERVICES

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

FINANCING

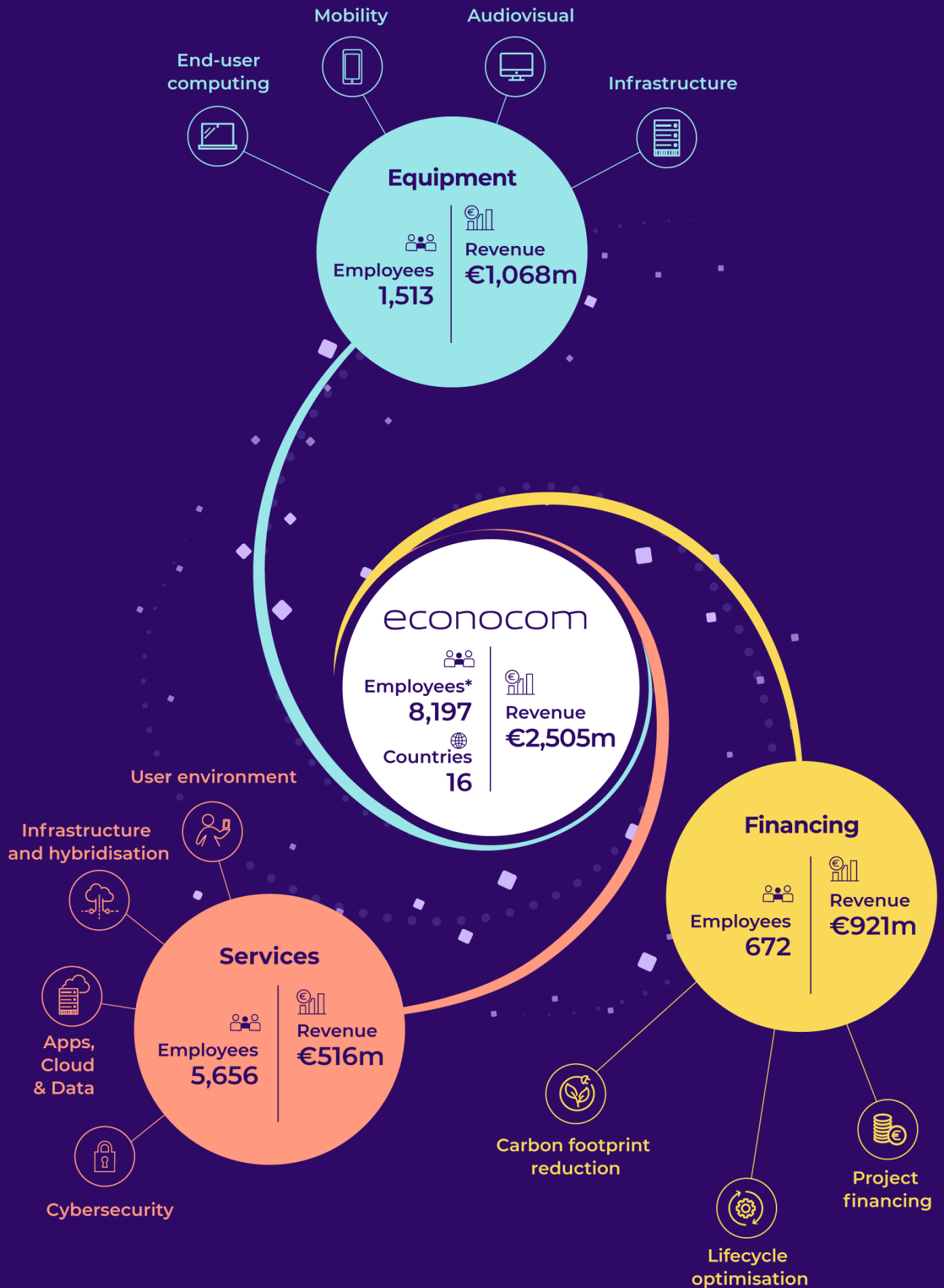
We are a pioneer and leader in financing digital transformation. We overcome financial barriers to firms' growth through agile, flexible solutions in financial leasing, while keeping their spending under control, as part of the circular economy.

The Satellites: a group of expert firms

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

 **Employees* 1,772**  **Revenue* €639m**

*portion of Satellites' employees and revenue in group's employees and revenue in 2021











*See breakdown of teams on page 15

3. The Group's Satellites

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

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

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

4. Responsible Digital Entrepreneur: our CSR manifesto

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

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

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

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

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

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

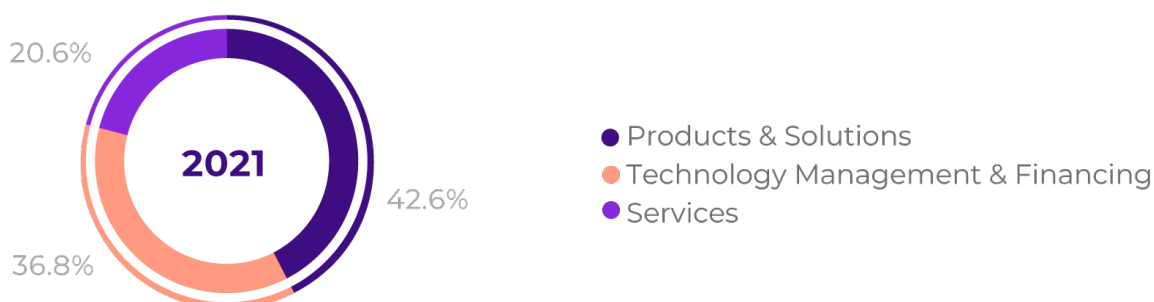
- **because a winning and creative mindset** is part of our DNA and drives our expansion;
- **because the intellectual and human commitment of our talent** is matched only by our obsession with pragmatism, useful digital technology and sustainable value creation;
- **because we are the first European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

5. 2021 key figures

Consolidated revenue (in € millions)



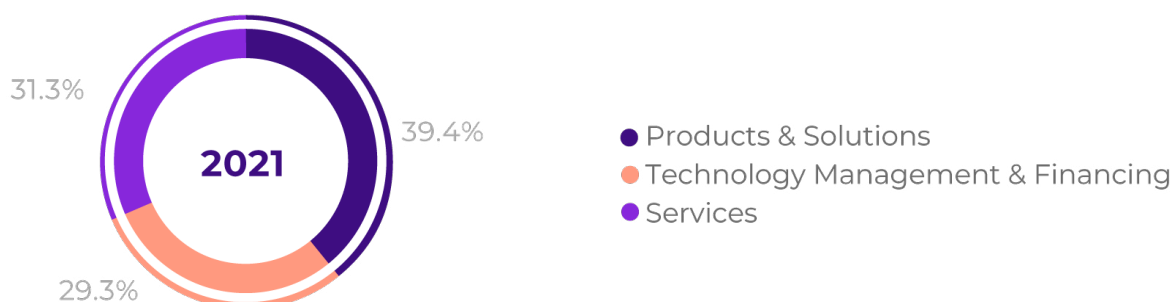
Revenue by business



Profit (loss) from current operating activities⁽²⁾ (in € millions)



Profit (loss) from current operating activities by business



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

(2) Before amortisation of intangible assets from acquisitions.

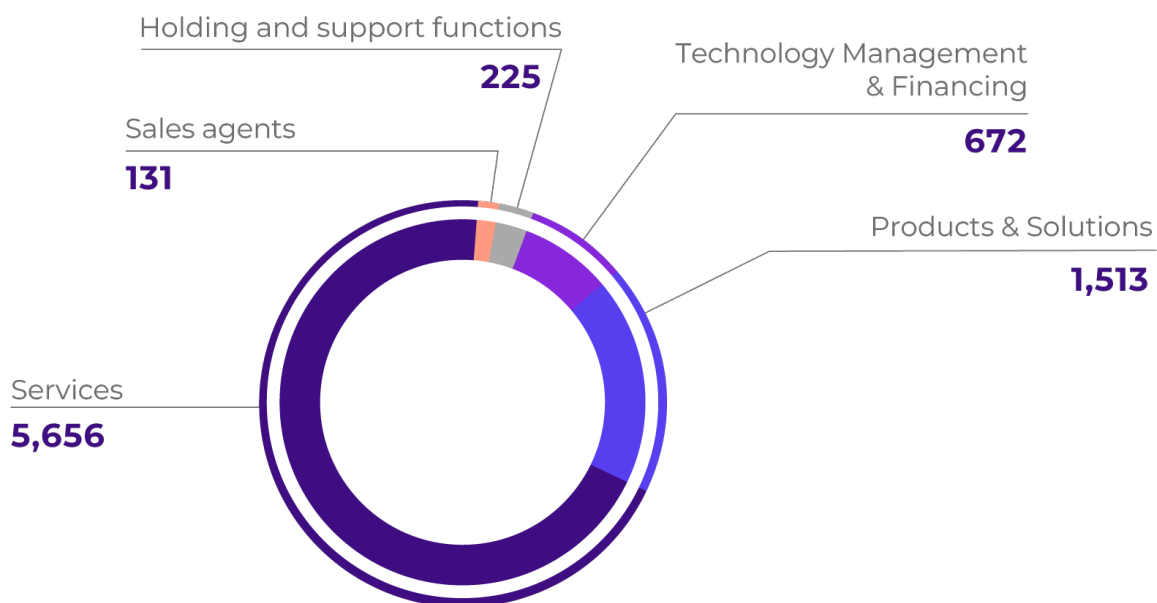
Shareholders' equity (in € millions)



Net financial debt (in € millions)



Breakdown of staff at 31 December 2021

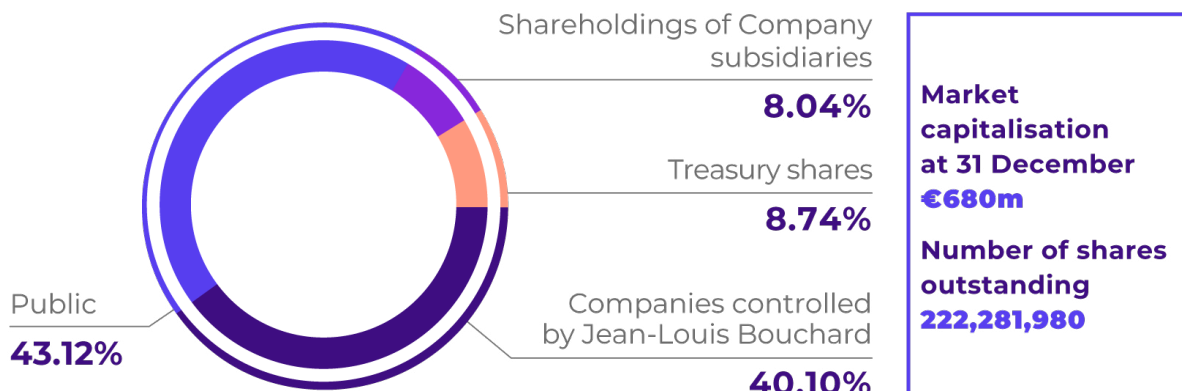




8,197 in **16**
 employees countries

6. Performance and share capital

Ownership structure at 31 December 2021



Basic earnings per share (in €)



Recurring earning per share (in €)



Dividend per share (in € cents)



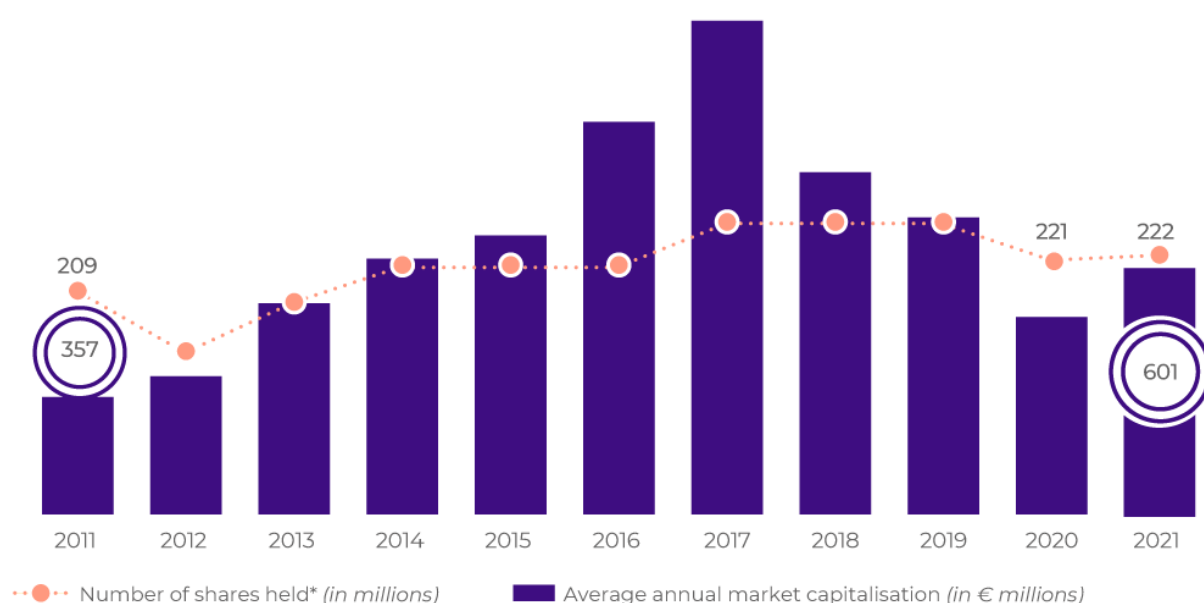
Refund of issue premium

The Board of Directors will ask **the General Meeting of 31 March 2022** to approve the repayment of the issue premium equivalent to paid-up share capital in the amount of **€0.14 per share**.

Change in the share price

Year	Highest (in €)	Lowest (in €)	Last (in €)	Average daily volume of shares traded
2019	4.01	2.0	2.43	210,320
2020	2.88	1.37	2.46	254,437
2021	3.94	2.37	3.65	188,477

Change in market capitalisation



Shareholders' agenda

31-03-2022

Annual General Meeting

14-04-2022

Release of 2022 first quarter revenue after trading

26-07-2022

Release of 2022 half-year results after trading

28-07-2022

Meeting to review the 2022 half-year results

13-10-2022

Release of 2022 third quarter revenue after trading

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

ISIN Code: BE0974313455

Real-time financial information:

www.econocom.com

* Adjusted after the share split in June 2017.

7. Governance

At 31 December 2021

Board of Directors

Chairman and managing Director

Econocom International BV
represented by Jean-Louis Bouchard



**Jean-Louis
Bouchard**



**Robert
Bouchard**

Vice-Chairperson

Robert Bouchard



**Véronique
di Benedetto**



**Bruno
Grossi**

Non-executive Directors

Robert Bouchard

Véronique di Benedetto

Bruno Grossi

Jean-Philippe Roesch



**Jean-Philippe
Roesch**



**Adeline
Challon-Kemoun**

Independent Directors

Adeline Challon-Kemoun

Marie-Christine Levet

Eric Boustouller



**Marie-Christine
Levet**



**Éric
Boustouller**

Executive Committee

Econocom International BV represented by Jean-Louis Bouchard

Chairman and managing Director



Jean-Louis
Bouchard

Angel Benguigui Diaz

Managing Director
in charge of day-to-day management



Angel
Benguigui Diaz



Laurent
Roudil

Laurent Roudil

Managing Director
in charge of day-to-day management

Eric Bazile

Group Chief Financial Officer



Éric
Bazile



Chantal
De Vrieze

Chantal De Vrieze

Country Manager Benelux

Philippe Goullioud

General Manager
Products & Solutions France



Philippe
Goullioud



Samira
Draoua

Samira Draoua

General Manager Technology
Management & Financing France

Statutory Auditor

EY Statutory Auditors SRL

represented by Romuald Bilem

02

group overview

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1. Group history

- **1974**
Jean-Louis Bouchard founds the Group under the name Europe Computer Systèmes (ECS) in France.
- **1985**
Jean-Louis Bouchard sells his stake in ECS France to Société Générale but buys back all the foreign subsidiaries. Meanwhile, he acquires Econocom, an American SME. The subsidiaries and Group are renamed “Econocom”.
- **1986**
Econocom Belgium is listed on the *Second Marché* of the Brussels Stock Exchange.
- **1993**
The acquisition of Asystel Belgium makes Econocom Distribution the leading IT distributor in Benelux.
- **1996**
Econocom is listed on the *Premier Marché* of the Brussels Stock Exchange.
- **2000**
Following the public exchange offer on Infopoint group, Econocom is listed on the Second Marché of the Paris Bourse. The Group diversifies by establishing Econocom Telecom, anticipating convergence between IT and telecoms.
- **2001**
The Group employs 2,000 people.
- **2002**
Acquisition of Comdisco-Promodata in France (administrative and financial management of IT assets).
- **2004/2007**
The Group steps up the pace of its development in the telecoms market with the acquisition of Signal Service France, the corporate activity of Avenir Telecom, followed by the corporate division of The Phone House France.
- In 2007, the Group doubles its capacity in Italy with the acquisition of Tecnolease, an Italian company specialising in computer hardware leasing.
- **2008**
Acquisition of Databail, a French IT infrastructure financing company.
- **2009**
Opening of a nearshore remote service facility in Rabat, Morocco.
- **2010**
Econocom acquires ECS from Société Générale and becomes the number one company in Europe in administrative and financial management.
- **2013**
Econocom merges with Osiaty group, thus making decisive headway in the digital services market. As a result of this acquisition, Econocom earns almost €2.0 billion in *proforma* revenue, including €650 million in business-to-business digital services. The Group now employs a workforce of more than 8,000 people in 20 countries.
- **2014**
Econocom Group issues €175 million worth of bonds convertible into cash and/or new shares and/or exchangeable for existing shares (ORNANE), due to mature in 2019. The proceeds from this issue are used to strengthen Econocom’s financial resources, particularly in the context of its Mutation strategic plan.

2015

Econocom is included in the Tech 40 index, selected by EnterNext from among 320 listed European high-tech equities. In May, Econocom invested in a Euro Private Placement (Euro PP) of €101 million. It was in two tranches with maturities of five and seven years, paying interest of 2.364% and 2.804% respectively. This helps strengthen, diversify and disintermediate the Group's financial resources while further optimising the financial conditions of its borrowings. Econocom Group becomes a European company (*societas europeae*) on 18 December 2015 to reflect its European identity and ambitions.

2016

Econocom now employs over 10,000 people. At end-November, Econocom Group took advantage of favourable market conditions to launch a *Schuldschein* loan issue (private placement under German law) in a total amount of €150 million, thereby increasing its financial resources. During the year, Econocom continued its original "Satellites" external growth strategy, acquiring either directly or through its subsidiary Digital Dimension.

2017

- In April, Econocom completes the early conversion of its January 2014 ORNANE bonds due in 2019, boosting equity by €183 million. The Group meets the targets set in 2012 for the Mutation strategic plan (doubling revenue and profit from current operating activities) and presents its new five-year strategic plan "e for excellence".

- Seven acquisitions are made.

2018

The Group employs 10,700 people. Econocom secures its financing by issuing a convertible bond debt (OCEANE) for €200 million in March and maturing in 2023. Two external growth

operations are carried out in the first half of the year to supplement the existing positions in Services in Italy (BDF) and in Spain (Altabox). The new management's focus in the second half of the year on reducing working capital requirements allows for cash generation to be bettered and net debt reduced.

2019

The satellites Jade and Rayonnance are sold and several other non-strategic activities are identified in order to be sold or closed. At the same time, the Group launches a major cost savings plan of €96.5 million spread out over three years, with thirty million already saved in 2019.

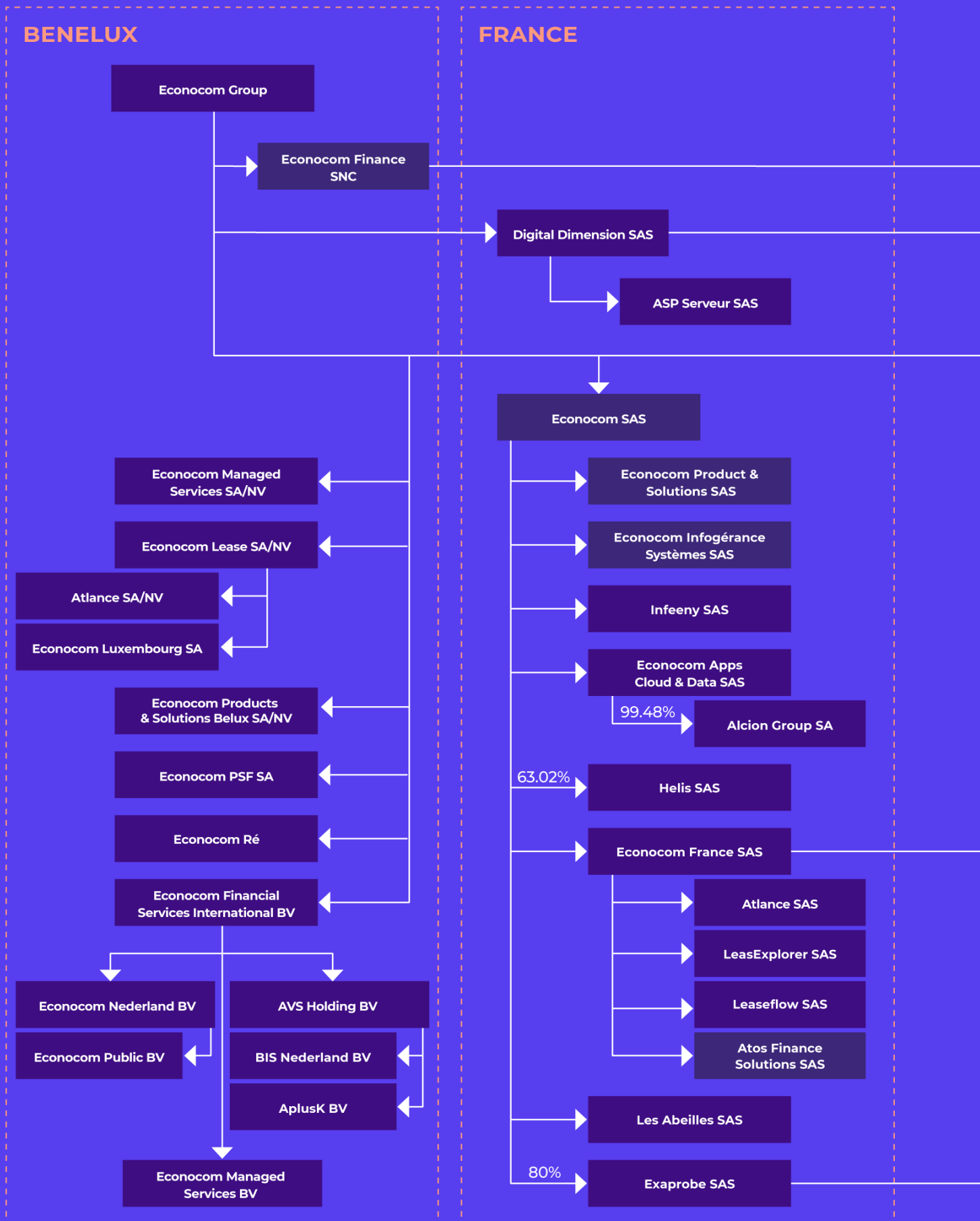
2020

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

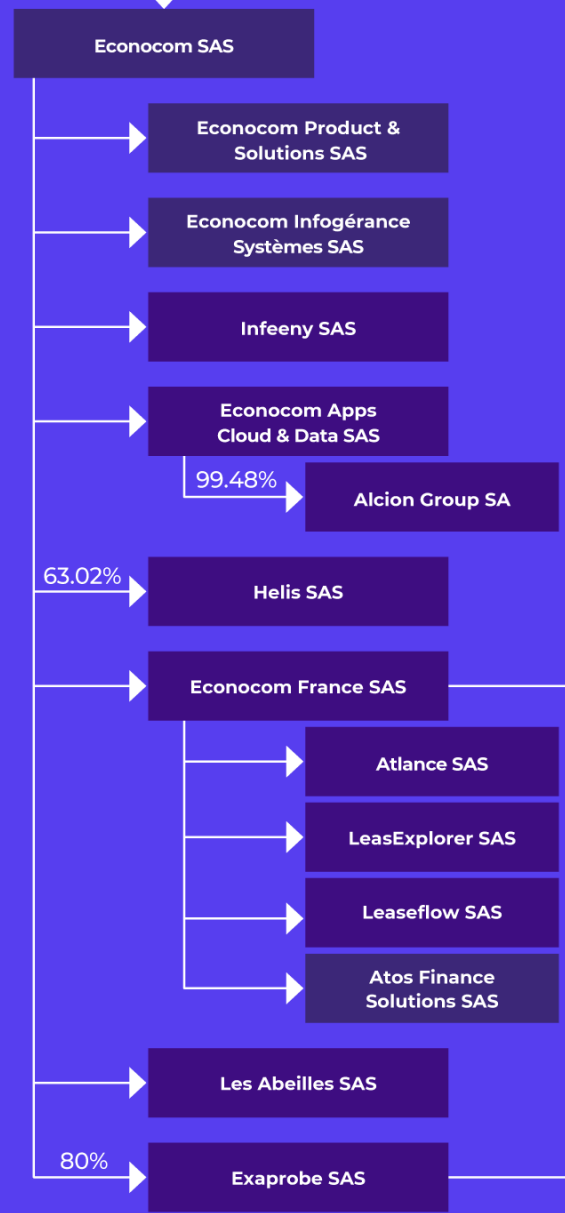
2021

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

2. Econocom Group structure



FRANCE



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



3. Group positioning

Econocom is the “one digital company”

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

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

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

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

The strengths of the Group

Econocom Group stands out from its competitors thanks to:

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

A unique development model

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

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

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

- Technology Management & Financing activity (see chapter 3.1);
- Products & Solutions activity (see chapter 3.2);
- the Services activity (see chapter 3.3);
- the digital solutions of the Satellites (Cybersecurity, Microsoft, Apple, SaaS & Cloud, Infrastructure & Networks, Mobility, Digital Signage & Multimedia, Consulting) (see chapter 3.4);
- the combination of Planet and Satellites expertise: “horizontal” transversal offers (see chapter 3.5).

3.1. The Technology Management & Financing activity

3.1.1. A GROWING RENTAL MARKET IN 2021

After a decline of 4% in 2020 due to the health crisis, the rental market returned to growth in 2021 with an estimated revenue increase of 3%. **This increase can be explained by three complementary factors.**

1) A cash flow requirement

The finance lease model helps to preserve cash flow and optimise expenses over time. The Sales & Leaseback offers also made it possible to generate immediate cash contributions.

2) An enhanced range of services

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

3) Leasing boosted by environmental stakes

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

3.1.2. ECONOCOM: À LA CARTE FINANCIAL SOLUTIONS

A pioneer in leasing, the Econocom Group generated 36.8% of its 2021 revenue through Technology Management & Financing. Today, the offer responds, more than ever before, to companies' expectations regarding financing. While 30% of them believe that the lack of financial resources is the greatest obstacle to their digital transformation, Econocom offers a wide range of adapted financial solutions. These solutions enable them to fast-track the completion of projects (connected devices, mobility, business hardware, IT & multimedia, industry hardware, energy, etc.), while meeting the financial, operational and environmental constraints of the players and business lines involved (CFOs, CIOs, CSR, Purchasing...).

Econocom brings down **financial barriers** for the development of companies with **an offer of agile and flexible financial leases** that enables them to keep **control over their expenditure**.

Financing projects

Access to the digital world and, more generally, to technologies which enable companies to develop, is often hampered by their ability to value their ROI and to match the economic benefits with the cost of implementation.

To meet these new challenges, Econocom is constantly expanding its financing offer to provide companies with tailored solutions while keeping their budgetary framework under control. These solutions are now perfectly applicable to customers' projects (digitisation of points of sale, traceability of goods, mobility, etc.) and to their businesses.

- **360° financing:** the asset financing solution for technological, industrial and energy investments in line with operational and financial needs.
- **Sale and Leaseback:** the financial lease solution to benefit from a cash contribution while optimising financial ratios.
- **Channel:** the sales financing solution adapted to partners to optimise their cash flow, increase their sales and accelerate their growth.

Optimising the life cycle

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

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

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

- **Lifecycle management:** an interactive portfolio management portal to manage the entire life cycle of assets, to process administrative flows, financial flows and operational flows.
- **EcoTwice:** the solution to give employees the opportunity to buy their own professional equipment.

- **BuyBack:** the service for managing end-of-life equipment by collecting, up-cycling and reusing equipment.

Reducing the environmental footprint

The energy transition is one of the short- and medium-term ambitions of all companies and local authorities, particularly as governments adopt laws to combat global warming.

The objectives of companies and local authorities in the energy transition remain the same: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gases, find new overall solutions to control energy and contribute to the production of renewable energies. Because if achieving targets is critical over the long term, the short term priority is to save money.

The lease model is by definition a circular economy and environmental footprint reduction model with shared use of equipment. Equipment is returned at the end of the lease by a user and then reused by another user. The environmental impact of leased digital equipment is allocated to each user *pro rata* to their time of usage. For more than 45 years, Econocom, as a responsible digital entrepreneur, collects and recovers nearly 450,000 pieces of IT equipment to give them a second life.

- **Green & Energy:** the consulting service and financial lease solution to roll out energy performance projects and reduce energy consumption.
- **EcoBuilding:** the energy management service for buildings to accelerate the transition through data intelligence.

- **EcoCarbon:** the solution to support IT & Digital Departments in measuring, reducing and offsetting the environmental footprint for a fully Responsible Digital approach.

EDFL: the solution for financing the most complex transformation projects

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

Competition

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

3.2. Products & Solutions

3.2.1. A MARKET IMPACTED BY THE HEALTH SITUATION AND GLOBAL SHORTAGES OF COMPONENTS

An IT market impacted by the crisis

Shortages of components, production stoppages, lead-times in connection with the availability of components and shipping costs were the factors which marked 2021. We have faced 24 months of shortages in order to serve customers and users, while the health crisis has more than ever showcased the critical need for IT investment and the digitalisation of companies. As of 2021, the strong uptrend in global demand for IT equipment, particularly in the education segment, to equip pupils and students as well as schools, increased demand from 250 to 400 million units.

Long lasting product shortages

In January 2020, the impact on product availability was tangible due to production stoppages in Asia as a result of the virus. We have faced an additional 12 months of shortages in order to serve customers and users, topped by a new issue relating to transport. From production stoppages to shipping, the availability of containers, unloading time such as the Suez Canal blockage incident impacted deliveries and transport prices (container cost multiplied by eight over 18 months). The Econocom teams were heavily involved in optimising these flows, upstream at the product manufacturing site, for which air freight or rail was possible to ensure deliveries adapted to customer needs.

First trends for 2022

Sales in terms of volume and value will continue to increase, with production priorities being on this last segment. The supply chain constraints are set to last. Demand for mobile equipment will remain high due to hybrid work and continuous investments by the public sector, particularly in education. For example, hybrid work triggers the need for laptops at home, headsets, additional screens and other accessories for increased productivity. While, office workspaces are equipped with meeting room, digital signage and video conferencing, etc., to meet the expectations of collective intelligence (collaboration, creativity, etc.).

The priority will be given to finding alternative “off-the-shelf” products which are available through wholesalers and logistics platforms over current BTOs (Build to Order) so as to provide equipment rapidly with BtoC deliveries and “Zero Touch” deployment and integration solutions.

Extending equipment life is becoming a real need, through additional levels of services to supplement manufacturers' warranties (Hot Line, spare parts, extended warranties and services), choosing more “high-end” products, which are more available, have a longer useful life, are less subject to breakdowns and have a higher trade-in value.

Recycled products or products made from recycled components are booming, sometimes for budgetary reasons, but especially due to the CSR commitment of companies. This approach follows a different path, with adapted distribution processes where customers become suppliers, with specific know-how: collection of unpackaged products, audit, data erasure, software updates, memory upgrades, hard drive, reconditioning, warranty, taxes – private copying, upcycling, resale, carbon footprint certificates, etc.

Regarding financing methods through contracts or plans, these types of sales are growing for paper printing, cloud and software consumption and already new or recycled equipment. Because these operating procedures used for processing, monitoring and invoicing orders are new, these require adapted business tools.

The education sector, the deployment of mobility solutions and 5G, the evolution of solutions for a Modern workplace, recycling and subscriptions contribute to the uptrend of the IT business. On the other hand, the presidential elections (May 2022 in France) often translate into a certain slowdown in orders, in public and private sector investments.

3.2.2. **ECONOCOM, A PRODUCT SERVICE COMPANY**

The quality of the equipment made available to each user does not determine its overall efficiency. However, from the comfort of a workstation, the performance of the tools and the quality of the connections critical to maintain the link, it does make a significant contribution.

The keys to success with our customers

- **A dual requirement in terms of quality:** for Econocom, the quality of the equipment, relies on both innovation and adaptation of products to needs as well as know-how for their deployment, commissioning and maintenance at full capacity. **This dual requirement gives full meaning to Econocom Products & Solutions and its commitment:** providing operational excellence in the supply of Products & Solutions, while meeting user requirements (comfortable workstations, high performance tools, quality connections, operational maintenance, etc.).

- **End-to-end coordination:** Econocom Products & Solutions coordinates and takes an end-to-end responsibility for a project, from the supply of IT and mobile equipment, to installation and maintenance. Econocom can also leverage synergies with the Group's other activities, in particular to offer tailor-made financing for projects or solutions for the recovery and processing of old equipment.
- **The ecosystem of manufacturing partners:** with a catalogue of over 200,000 products, Econocom relies on its ecosystem of manufacturing partners (including Lenovo, Apple, HPinc, Dell Technologies, Microsoft, Samsung, for the major players among more than 2,000 in operation) for the supply and brings a suite of additional services, based on product life cycle.
- **Co-development with customers:** the Products & Solutions activity has co-built a number of services to increase the efficiency of remote working:
 - ▶ **the one-stop shop**, where the Company benefits from a single point of contact and invoicing for the provision of a laptop, possibly additional accessories, a printer, office software and consumables;
 - ▶ **the online catalog**, to enable companies to create their own customised configuration by getting access to major brands;
 - ▶ **delivery and commissioning**, including at home of the end user;
 - ▶ **the immediate and controlled availability of professional software**, which is automatically installed once the person has been authenticated *via* the "zero touch" deployment;

- ▶ **the after-sales service**, based on online support and large inventories;
- ▶ **collection, recovery and recycling** of old equipment in an environmentally friendly approach which promotes the circular economy;
- ▶ **financing plans**, with a wide range of solutions, including the collection of the IT asset base or utilisation-based invoicing for example.

3.2.3. MAJOR FRENCH PLAYER IN DISTRIBUTION

In a still dynamic and competitive market with more than 14,000 IT resellers in France, Econocom remains among the leaders in the distribution market in 2021.

In the European market, the Group competes with Computacenter, SCC, Bechtle, Axians, Insight, Softwareone or Realdolmen.

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.

3.3. Services

3.3.1. GLOBAL MARKET REBOUND OF 3.4%

According to IDC, the global IT services market jumped 3.4% in 2021 after a decline in 2020 of more than 1.1% due to the pandemic. The firm is optimistic for the next years, forecasting an annual increase of 3.8% to 4% in 2023 and 2024. Europe is also enjoying this improvement, with growth expected to exceed 3%.

For France, the market analyst firm PAC Tecknowlogy confirmed this rebound with an IT market of €34 billion in 2021, *i.e.* up +4.6% compared to 2020. These increases varied from one IT business line to another: for application services (€17.4 billion) the rebound was even more spectacular (+5.7% in 2021 vs. 2020) while 2020 had been a challenging year, due to the discontinuation of many projects deemed not to be a priority in the face of the pandemic. For infrastructure services (€14.8 billion), the increase of +3.3% remained high despite a less significant decline in 2020.

Digital transformation projects are the key growth drivers. Again according to PAC, for the application area, the consulting services market was up +8.5% in 2021 and that of integration by +6.2%. For infrastructure, consulting was up 7.7% and integration 7.4%.

Unsurprisingly, the cloud is one of the most popular IT areas. It has now widely penetrated most companies. A recent PAC study shows that 67% of respondents use the cloud, in one of its three forms, SaaS, IaaS and PaaS. On the other hand, most companies trust several cloud suppliers, may these clouds be private or public; a trend known as multi-cloud.

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

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

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

Our 5,656 employees in Services, present in ten countries, operate in three main areas: the user environment, cloud services, infrastructure and hybridisation, and the modernisation of applications and data.

User environment

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

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

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

In particular, in 2021 Econocom further transformed the way it delivers its support services to users. The service desk, for example, has been enhanced with innovative features based on artificial intelligence mechanisms, thereby increasing user satisfaction through faster and better processing.

Moreover, in 2021 Econocom remained leading player in the users' outsourcing market in France (Teknowlogy/PAC 2021 ranking) for the fifth straight year and continues to support large French and global companies in the transformation of their digital environment.

In addition – with its **Infeeny** brand, a Microsoft pure player – Econocom provides end-to-end services, consulting, integration and managed services, to provide a high level of expertise based on the software vendor's innovative solutions such as Modern Work, Modern App and Move to Cloud.

Cloud, infrastructure and hybridisation

According to a 2021 study by PAC Teknowlogy, the French cloud is worth more than €19 billion and will increase by 19.7% on average each year between 2020 and 2024.

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

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

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

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

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

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

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

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

Econocom Apps, Cloud & Data

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

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

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

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

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

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

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

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

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

Ranked as France's 7th largest digital services company in 2021⁽¹⁾, Econocom competes with companies like Capgemini, Orange, IBM, Atos and Accenture on the services market. But unlike these competitors the Econocom Group is the only one to combine distribution, management and associated financing services as well as the digital solutions of its other brands.

3.3.4. ECONOCOM: ISO 27001 CERTIFIED

IT security is a major challenge for Econocom and the Group continues to make progress in this area. The Group has been ISO 27001⁽²⁾ certified since 2016. This certification is the world's most widely recognised information systems security standard. This certification mainly covers service centres services provided at our premises and telecoms, transport, banking

and insurance services also provided at our premises. The actions and measures taken to combat cybercrime in 2017 were extended across all the Group's business lines, with the blanket rollout of a series of security measures to protect workstations, the strengthening of Information Systems Department security expertise within the IT Department, and the creation of mandatory awareness training for Services employees via MOOCs (Massive Open Online Courses).

3.4. Digital solutions offered by Econocom Satellites

Launched in 2014, the Satellite model enables Econocom to rapidly take up a position on buoyant markets, (cybersecurity, cloud, mobility, etc.). Econocom Satellites are innovative SMEs, whose areas of expertise correspond to the strategic challenges of digital transformation today. In 2021, they accounted for 25.5% of the Group's revenue.

3.4.1. CYBERSECURITY

3.4.1.1. A critical issue, a dynamic market

A recent survey conducted by CSO magazine on corporate cybersecurity priorities revealed that 44% of Chief Information Security Officers (CISOs) expect their budgets to increase over the next twelve months. They were 41% to make the same forecast as part of the 2020 edition of this annual survey. 54% of people surveyed said on the other hand that they expected their budgets to remain unchanged for the coming year. Only 2% of them anticipate a decrease, which is much lower than the 6% that saw their expenses fall from 2020 to 2021.

(1) 2020 revenue – Numeum/KPMG study.

<https://numeum.fr/actu-informatique/etude-grand-angle-et-classement-esn-ict-2021>

(2) ISO standard 27001 concerns security and information management systems and helps organisations. More information here: <https://www.iso.org/fr/isoiec-27001-information-security.html>

Other studies show similar trends.

According to PricewaterhouseCoopers (PwC) Global Digital Trust Insights 2022 report, investments are continuing to ramp up in cybersecurity, with 69% of companies surveyed predicting an increase in their cybersecurity expenses for 2022. They are even 26% to expect a jump of 10% or more in their investments.

For its part, Gartner estimates that information security and risk management expenses will total \$172 billion in 2022, compared to \$155 billion in 2021 and \$137 billion the previous year.

Despite the expected increase in the amounts made available to them, the CISOs will not have extravagant financial resources. They, together with executive advisers, say that security services need to continue to show that they are getting a good return on investment, have a genuine impact on operations and, ultimately, improve the level of IT security in their organisations.

“Companies are aware that risks are increasing every day, which is why expenses are ramping up in cybersecurity”, said Joe Nocera, Head of the Cyber & Privacy Innovation Institute at PwC. “Business leaders tell us that they would be willing to pay any price to avoid being on the front page of a newspaper for a hack. However, they do not want to spend a penny more than necessary and only want to spend their money in the right areas. This will require CEOs and CISOs to work hand in hand”, he further said.

According to the PwC representative, investments in cybersecurity are less about having the latest technologies and more about understanding where the company is most vulnerable. After that investments need to be prioritised, based on the likelihood of an attack occurring and the magnitude of the loss it may cause to a company.

Trends determining budget allocation

Sam Rehman, the CISO of the North American company EPAM Systems, said that the cybersecurity budgets for 2022 reflect the ever-growing interest of the rest of the management teams and boards of directors in the protection strategy of information systems. This is confirmed by the PwC report: “Organisations are aware that risks are increasing. More than 50% of them expect an increase in incidents next year, more than in 2021”.

Sam Rehman claims that the volume of attacks is only one of the factors driving many companies to increase their cybersecurity expenses. Executives are also seeing the significant impact that breaches of IT systems can have, and how the easy money from attacks in the era of anonymous cryptocurrencies keeps hackers motivated.

In response, executives now want to ensure that they are adequately defending their companies and can respond appropriately to an attack. In other words, they are looking for both protection and resilience. Evidence that they are beginning to understand that there is no such thing as 100% effective protection, but that a strong defence can save time to detect, respond and recover before significant damage (if any) is done.

“The majority of organisations will significantly increase their spending budget in order to protect themselves and their clients against cyber-attacks,” adds PwC's Joe Nocera. At the same time, security officers report that they feel pressure from external entities, in addition to those exerted by management and Board members, to deliver results. They hear from customers, business partners and regulators that safety is also a priority for them.

In the United States, for example, the Decree of President Joe Biden of May 2021 to strengthen the country's cybersecurity is one of the factors that has contributed the most to the increase in budgets made available to CISOs. This type of regulatory and legislative action is important for many companies, as they are required to comply with the texts in order to continue their activity in good conditions.

The survey by CSO magazine corroborates this last point. Its results show that in terms of cybersecurity priorities, 49% of CISOs mention that best practices constitute a determining factor in their expenses. The same proportion of them say that compliance and regulation are determining factors. Next on the list comes the need to address the changing risks posed by changing workforce or business dynamics, particularly hybrid and remote working (41%); the importance of preventing risks resulting from digital transformation such as the migration to the cloud (38%); the need to respond to a security incident that occurred in their own organisation (35%); and the duty to respond to a security incident that occurred in another company (25%).

3.4.1.2. The Econocom offer:

Asystel Italia, Exaprobe

Asystel Italia (Italy) supervises IT security through activities of inventory, monitoring, vulnerability assessment and penetration test, and remediation.

It offers a set of support services (security advisory, incident management, threat analysis, etc.) and provides an intelligent-driven monitoring service 24/7 for 365 days a year to ensure high and constant levels of security.

However, monitoring and managing systems is not enough. One of the major vulnerabilities in companies remains the

human factor. This is why Asystel Italia has designed an e-learning solution to promote the creation of awareness and culture among users using customised, user-friendly and dynamic tools.

Focus on Asystel Italia's EclipsOut offer

To address the continuous increase in IT data breaches, Asystel Italia has designed and implemented a cyber defence and vulnerability management solution: EclipsOut. EclipsOut identifies leaks in your security thanks to an agent service that enables near real-time monitoring. The vulnerability management function simplifies the management of cyber defence vulnerabilities.

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

Acquired in 2013, and now housing Cap Synergy (2012), Comiris (2014), Aciernet (2017) and So-IT (2021), Exaprobe is a security systems integrator. It operates in the areas of IT security, network infrastructures and platforms for unified communication and the digitisation of workspaces. Its current business model is based on a mix of integration products and services in project or outsourcing mode. Today, with its 225 employees and a revenue of €285 million (€205 million in France and €80 million internationally), Exaprobe has established itself thanks to its technological expertise and innovative offers. Following the acquisition of Aciernet in 2017, Exaprobe has specific expertise in designing and equipping large datacentres. The Company benefits from high-level partnerships with leading manufacturers and software vendors (Cisco, Arista, Check Point, Fortinet, Poly, Microsoft, etc.).

Focus on Exaprobe's new Go4Secu offer

To address the booming cybersecurity market, Exaprobe decided to market a service offer called Go4Secu.

The purpose of this offer is to offer companies that do not have sufficient human and/or financial resources to build their own security oversight centre (or SOC) to benefit from the advantages of this service offer.

While 91% of companies were the target of at least one attack in 2020, only 14% of CISOs (Chief Information Security Officers) believe that their organisation allows them to be effectively protected against cybercrime⁽¹⁾. Budgets allocated to cybersecurity were up by 63% between 2020 and 2021.

Based on the protection of mail flows, web browsing, privileged access and the client workstation, this offer is hosted entirely in the cloud and allows Exaprobe customers to rely on its expertise to secure their business as much as possible. Our philosophy: Protect, Monitor, Govern and Remedy.

Backed by the most recognised players in the market – Cisco, CrowdStrike, Palo Alto, Retarus, Wallix, Go4Secu offers a complete suite of managed services, and takes over from its customers to enable them to focus on their business, and ensure its continuity over the long term.

3.4.2. MICROSOFT TECHNOLOGIES

3.4.2.1. Market: new business models are changing the game

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

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

3.4.2.2. The Econocom offer:

[Asystel Italia, Infeeny, Trams|Econocom](#)

Econocom aims to become market leader with its Infeeny brand

As a historic partner to Microsoft, Econocom wants to accelerate this strategic collaboration by becoming a market leader, thanks to its Satellite **Infeeny**, which has a high level of expertise in Microsoft 365, Azure and Power Platform environments. Associated with the various business lines of the Galaxy, particularly distribution, financing and Run services, Econocom provides end-to-end offers, a highly-demanded model by the market, such as DaaS (Desktop as a Service) or Cloud Managed Services.

The challenge is to offer all French companies a team of experts dedicated to Microsoft technologies to support them in their digital transformation. This ambition relates to the Econocom Group's ability to take into account all Microsoft technologies and combine them to turn them into growth drivers for organisations.

End-to-end solutions in line with the needs of companies

With its Infeeny Satellite, Econocom is developing a portfolio of end-to-end solutions in line with the needs in terms of innovation and agility: modernisation of applications and data, hosted in Cloud environments (Azure, M365 and Power Platform) to serve new collaborative practices and employee productivity.

(1) Source: https://www.lepoint.fr/high-tech-Internet/cyberattaques-les-entreprises-francaises-touchees-plus-que-jamais-09-12-2020-2404883_47.php
<https://www.Exaprobe.com/cloud-services/go4secu/>

Focused on two main areas of expertise

- One Workplace: because it is critical to enhance the employee experience, our offer is to deliver a working environment adapted to each and everyone, accessible at any time and from anywhere.
- One Cloud Factory: offers designed to define an agile IT architecture, support the transition, ensure availability, performance and evolution.

This **end-to-end approach** involves support across the entire project value chain: consulting, to understand the needs and define the target environment, piloting to test before implementation, integration and then managed services as part of continuing improvement cycles. Accordingly, over the past three years, Econocom has been drawing on its proven cross-functional offer, “**Infeeny by Econocom**”. Capitalising on the expertise of its Infeeny subsidiary, this offer also incorporates the core expertise of Econocom and other Group entities such as **Exaprobe**.

Infeeny by Econocom represents:

- 700 Microsoft consultants and experts;
- 14 GOLD certifications;
- five Microsoft advanced specialisations (“Modernisation of web applications to Microsoft Azure”, “Windows Server and SQL migration to Microsoft Azure”, “Adoption and change management”, “Azure Kubernetes”, “Windows Virtual desktop”);
- a network of regional agencies and service centres;
- a unique and multidisciplinary interlocutor for integrated solutions with customised financing;
- two areas of expertise in coherence with Microsoft: One Workplace and One Cloud Factory;
- an active partner of the “Microsoft Cloud School” programme to support training or retraining on new Microsoft Cloud technologies.

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

Trams|Econocom (United Kingdom): has decades of experience in dealing with Microsoft products and services, delivering licences across MO365 and CSP to companies of all sizes.

3.4.3. APPLE TECHNOLOGIES

3.4.3.1. Market

The UK corporate market is key for Apple

At nearly \$3 Trillion, Apple is the most valued company in the world, with the UK being a prominent and important market to increasing global sales. Around 59% of the UK mobile market is owned by Apple iOS, and 29% of the PC market with MacOS.

While the UK consumer market, and certain sectors (such as Creative, Media & Entertainment) are heavily Apple based, there are huge opportunities in the Enterprise market. Apple have significant ambitions for Enterprise business and will be looking to resellers to assist with these targets.

3.4.3.2. The Econocom offer:

Energy Net, Trams

Since 1993 **Trams (UK)** has been an Apple Authorised Reseller and Apple Authorised Service Provider. As an Authorised Reseller Trams supplies the latest Apple technology, consultancy & technical support to companies across all sectors, including Financial Services, Media & Entertainment, Education and the Public sector. Trams|Econocom is an elite reseller offering direct integration with Apple’s DEP (Device Enrolment Programme) for MacOS, iPadOS & iOS devices, resulting in true zero touch

deployment scenarios for all types of organisations.

Focus on Trams|Econocom

- Apple Authorised Reseller
- Certified Apple Repair Centre
- Owners of UK's only Apple integrated zero-touch auto enrolment for end-user devices
- 12 Apple Educated Sales Personnel
- 8 certified Apple Technicians
- Reseller of leading Apple MDM

In 1987, **Energy Net** was one of the first Apple partners in Germany. In 2005, Energy Net became an Apple Premium reseller. Then, starting in 2015, Energy Net became a solid partner for professional customers in its capacity of Apple Authorized 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 Authorized Reseller
- Apple Authorized Service Provider
- 7 certified Apple Technicians
- Apple MDM Reseller
- GOLD Jamf partner

3.4.4. APPS & CLOUD

3.4.4.1. The cloud will drive the market upwards

According to Syntec's report⁽¹⁾ on the second half of 2020, in 2020, SMACS⁽²⁾ grew by 6.4%, representing a market of €14.9 billion. While the growth of this very dynamic segment of software and services has slowed down compared to 2019, it is still very significant in a market that is overall in recession.

Compared to the first half, IDC has significantly improved its forecasts for the evolution of SMACS in 2020, with growth doubling between the forecasts of the first half and those of the second. This leap is due to the higher-than-expected level of investments that CIOs allocated projects due to circumstances (lockdown, remote work, new sales methods, etc.).

The growth of SMACS is primarily driven by the Cloud, which is both the largest segment (€6.7 billion alone) and the fastest growing segment (+12.2% in 2020).

SaaS & Cloud: services and the cloud hybrid are on the rise

According to Gartner, the adoption of enterprise SaaS is still relatively new and many SaaS application providers have focused more on the functionality of their applications and less on the needs of IT operations.

Most companies already have some cloud infrastructures and SaaS solutions in place and are planning to move in that direction. 16% of budgets for cloud are allocated to what Gartner calls "Services related to cloud". These are essentially services that organisations need to move toward a cloud solution in order to transform their operations by adopting cloud services.

(1) <https://syntec-numerique.fr/smacs-chiffres-cles/conjoncture/note-conjoncture-2e-semestre-2020>

(2) SMACS: acronym used to define the following markets: Social, Mobile, Analytics, Cloud, Security.

New growth drivers in the cloud

New uses mainly integrating the cloud will develop.

According to Forrester⁽¹⁾, the main orientations we can highlight are as follows:

- **the rise of DaaS:** Gartner anticipates that 48% of employees will continue to work from home once the pandemic is over. To secure this remote work and allow everyone to work from anywhere, it is likely that “VDI in the Cloud”, in other words virtualised desktops in the cloud, or DaaS (Desktop as a Service) will be broadly used. The arrival of a “Cloud PC” offer at Microsoft, strategic for the success of its future Windows 10, should accelerate the movement by democratising it. Competitors will have to sharpen their value proposition;
- **Edge reaches an inflection point:** In any case, this is the Forrester’s conviction⁽²⁾. Edge redefines where data is processed and how the cloud is used. The practical applications of this concept will emerge where this architecture is a real asset. The possibility of implementing private 5G networks will also offer new use cases for Edge Computing;
- **strong growth in hybrid cloud:** The giants of the public cloud are also keen on penetrating “on-prem” infrastructures with their own solutions to better merge the internal infrastructure with their cloud services. At Google, the strategy is based entirely on Kubernetes and the Mesh Istio service with its 100% software solution “Google Anthos” which now operates in bare-metal and is also deployed in other public clouds. At AWS, the strategy relies in part on its AWS Outposts appliances as well as the recent announcements of ECS Anywhere and EKS Anywhere to deploy Amazon's Elastic Container Services on its internal infrastructure. Lastly, Microsoft launched the “General Availability” version of Azure Stack HCI, its hyperconverged

solution that is direct competition with VMware and Nutanix, which is highly integrated with Azure and embeds AKS (Azure Kubernetes Services). The software vendor also offers Azure Arc to deploy Azure data services in the form of containers in any cloud or on its internal infrastructure;

- **emergence of a sovereign cloud GAIA-X:** on the one hand, companies are working to prevent suppliers from locking them into their cloud technologies. On the other hand, European legislation has been strengthened to ensure the sovereignty of European data, forcing companies to think about “European storage”. These two trends are the main drivers of the European metacloud initiative GAIA-X. A metacloud designed with interoperability and reversibility as core values. Enough to make the cloud more agnostic.

3.4.4.2. The Econocom offer

[*ASP Serveur, Bizmatica, Nexica, Synertrade, Trams/Econocom*](#)

Applications

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

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

- **Bizmatica (Italy):** supports companies in the complex shift-2-cloud journey. It supports the customer engagement process, starting from omnichannel to data-as-a-service solutions, leveraging both an agile BizOps and DevOps approach and on an extensive use of AI technology. Bizmatica leverages on its onStage API Management to federate both cloud

(1) <https://www.itforbusiness.fr/les-10-tendances-cloud-en-2021-41991>

(2) <https://go.forrester.com/blogs/predictions-2021-edge-computing-hits-an-inflection-point/>

technologies and on-premise technologies. onStage provides the possibility to address a variety of use cases: integration of cloud services, integration of mobile apps, B2B integration, Big Data integration, IoT integration and implementation of APIs;

- **Synertrade (France)** offers a dedicated SaaS purchasing solution covering the entire expenditure chain: Source-to-Contract, Procure-to-Pay and Supplier Relationship Management (SRM). The Accelerate platform covers the needs of direct or indirect Purchasing Departments. Synertrade has more than 700 clients worldwide, from all business sectors (Industry, Health & Pharma, Energy, Retail, Agri-food, Insurance, Media, etc.). This SaaS solution meets the strategic challenges of large Fortune 500 groups as well as large international SMEs/SMIs.

Hosting and cloud offers

For Econocom, infrastructure performance is a key success factor to ensure a successful user experience. The Group supports CIOs in maintaining very high levels of performance, integrating more efficient and flexible cloud offers and enhancing security. As the 11th largest player⁽¹⁾ in the cloud and datacentre outsourcing market in France, Econocom is positioned, with its “Satellites” as a genuine partner of businesses and governments.

Three Satellites operate in the cloud market:

- **ASP Serveur (France)** is a production infrastructure host and operator of public, private and hybrid cloud solutions. As a specialist in mission-critical hosting and public and private cloud solutions, ASP Serveur owns its infrastructure and has a cutting edge, very high security datacentre;
- **Nexica (Spain)** offers its Nexica Hybrid Cloud. It integrates Nexica Cloud, in Tier 3 data centers in Madrid and Barcelona; Microsoft Azure, in certified Microsoft Azure Stack Hub at Nexica Cloud or in Microsoft data center; Amazon Web Services (AWS), with direct interconnection from its cloud, and other public or private clouds;
- **Trams|Econocom (United Kingdom):** TramsCloud is a Jamf MDM solution hosted on AWS infrastructure offering a global footprint. As an MSP they offer Jamf instances (Jamf on-prem functionality) in an easily accessible cloud environment without the need for customers to implement or manage their own platform. Clients can choose between managing and configuring their own Jamf instance, or Trams|Econocom can provide a fully managed service.

(1) PAC/Teknowlogy study 2020.

3.4.5. INFRASTRUCTURE & NETWORKS

3.4.5.1. A market undergoing major structural changes

Businesses need more and better IT infrastructure

Digitisation, new uses, development of cloud models: to meet these challenges, the network must play an increasingly important role. In addition to the commonly accepted intrinsic qualities (performance, availability, durability), it is becoming increasingly common for networks to be required to integrate advanced functions such as: filtering, optimisation and management of flows (voice, video), virtualisation and quality of service measurements. The development of forms of collaborative work (for example, videoconferencing) partly explains this trend.

A strong tendency towards migration to public cloud systems

Over the last several years companies have been shifting their IT workload to the public cloud.

Cybersecurity, a top priority for executives and Boards of Directors

In all business sectors, attacks are becoming more numerous and more complex: with 80% of technology managers say that their organisation is struggling to put in place a strong defence.

New mutations for tomorrow

These include the growth of Asia for hardware solutions, the use of DevOps for software and hardware, container-first architectures and the increasing use of artificial intelligence and technology stacks optimised for machine learning.

3.4.5.2. The Econocom offer

Asystel Italia, ASP Serveur, Bizmatica, Exaprobe, Nexica, Trams|Econocom

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

Designing scalable infrastructures capable of integrating the innovations of tomorrow

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

Six Satellites operate in this market:

- **Asystel Italia (Italy)** Asystel Italia designs, builds, integrates and maintains network infrastructures and digital innovation solutions for medium and large companies. Its Datacentre offer is based on an On Demand approach, which allows customers to benefit from a scalable model which meets their actual needs. Asystel Italia's proprietary architecture is built on level 3+ standards and has top-level certifications in data security and quality and energy efficiency (ISO 27001: 2013, ISO 9001: 2015). Asystel Italia also helps its customers choose the best cloud computing strategy;

- **Bizmatica (Italy)** is able to support companies in an end to end approach in the digital transformation process. It provides from the initial consultancy to the development and management of complex IoT & Service Assurance platforms leveraging on AI and Machine Learning solutions. In terms of infrastructure's governance and data access, Bizmatica solutions are focused on Cloud Management, Back Up and Recovery, Data Virtualisation and Consolidation. Bizmatica is also a solid cloud transformation partner and helps enterprises project, plan and design a shift to cloud transformation based on processes, customer interactions and data;

- **Trams|Econocom (United Kingdom)** has trained and qualified engineers to deploy, manage and support customer networks regardless of the vendor or size. Trams|Econocom is an award winning and highly regarded Quantum partner, with over 15 years of experience in installing and project managing complex cloud, hybrid-cloud and on-premise projects in the UK and EMEA. Their in-house knowledge with hybrid storage workflows, Backup & Archive solutions, combined with certifications from vendors such as Dell, Cisco and HP place them an ideal partner to create and install a first-class working infrastructure.

- **ASP Serveur and Nexica:** see chapter 3.4.3.2.;

- **Exaprobe:** see chapter 3.4.4.2.

3.4.6. MOBILITY

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

The enterprise mobility market is divided into four main segments:

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

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

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

On a business scope, growth is largely driven by mobile phones with more than 200 million mobile handsets purchased by businesses in 2024, compared to 160 million in 2020, while traditional telephones are stagnant with around 144 million units sold per year (between 2020 and 2024). As a result, public and private organisations are arranging to take change of these new uses in their business line and support structures.

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

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

(2) Gartner, Forecast: IT Services, Worldwide, 2018-2024, 3Q20 Update.

3.4.6.2. The Econocom offer

[Asystel Italia, BDF, Bizmatica, DMS, Energy Net, Trams|Econocom](#)

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

- **Asystel Italia (Italy)** has a specialised business unit focused on mobility projects. It provides its clients with all the necessary services for a complete devices management, guaranteeing quality of service, security and freeing the IT of clients from the costs of managing the devices themselves. Asystel Italia has in-depth knowledge of Microsoft Windows and Apple MacOS environments on the one hand, and Android and iOS operating systems and related device management platforms, on the other;
- **BDF (Italy)**: BDF's mission is to maximise technological use by assuming the complete management of logistic aspect, assistance, maintenance and recycling of digital products. From staging to roll out and help desk, BDF's services are highly customisable and modular. They are focused on management and security of about 200,000 workstations and 20,000 printing solutions based on a pay per use business model. In the field, BDF has a warehouse for products and spare parts of over 8,000 m². BDF is becoming the reference point of Econocom in Italy for the management of end of life of the digital product according to modern principles of sustainability;
- **Bizmatica (Italy)** provides solutions and guidance that enable organisations to adopt smart (or agile) ways of working with a focus on maximising employee productivity while meeting the growing need for corporate mobility management and business continuity of their activities;
- **DMS (France)** is a mobile technology expert specialising in the security and management of very large terminal fleets;

- **Energy Net (Germany)**: Econocom strengthened its presence in Germany with the acquisition of Energy Net in 2017. This Satellite, specialised in the B2B distribution and integration of Apple products, allows Econocom to strengthen its historic partnership with Apple. Energy Net enables Econocom to develop innovative solutions combining hardware, applications and services, charged as a fee;
- **Trams|Econocom (United Kingdom)** offers complete Enterprise Device Management for both Apple and Windows based IT estates. This management covers the full device lifecycle from subscriptions to zero-touch deployment, App development, self-service, security, and recycling.

3.4.7. DIGITAL SIGNAGE & MULTIMEDIA

3.4.7.1. A growing market driven by the expansion of retail

According to Technavio's global digital signage market research report, the market will record a CAGR (compound annual growth rate) of nearly 7% by 2022. This dynamism is largely due to the strong growth in the retail segment, itself boosted by the increase in the demand for consumer goods and the rise in household income. Other factors such as urban growth and the increase in the demand for quality products also help explain the excellent performance of the market.

3.4.7.2. The Econocom offer

[Altabox, Asystel Italia, BDF, BIS|Econocom](#)

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

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

The following are positioned in this market:

- **Altabox (Spain):** leader in Spain in the development of omnichannel marketing strategies for retail outlets, Altabox joined Econocom Galaxy in 2018. The company is specialised in the design and deployment of dynamic digital signage, sensory and auditory marketing, and traffic and data analytics solutions. With this acquisition, the Group acquired a comprehensive range of state-of-the-art digital solutions for retail outlets, coupled with its innovative financing and distribution model (plans, pay-per-use, etc.);
- **Asystel Italia (Italy)** is a leading player in the new multimedia communication solutions: smart working platforms, smart collaboration solutions, implementation of environments for new-generation multimedia communication. Asystel Italia designs complete solutions that integrate monitors, projectors, touch frames, IWBs, video walls, NUCs, digital signage platforms, microphones, amplifiers, interactive furnishing elements, booking systems and biometric recognition systems, interfaces and home automation connectors in order to create functional environments, extremely innovative and able to ensure a simple use with added value;

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

Collaboration solutions without borders

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

Workplace management in one click

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

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

Narrowcasting, beyond communication

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

3.4.8. CONSULTING

3.4.8.1. The Econocom offer

[Bizmatica, Helis and Trams|Econocom](#)

Three Satellites are specifically positioned in the consulting market:

- **Bizmatica (Italy)** proposes to collaborate with customers, defining the best strategy in the digital transformation following specific innovation needs related to cloud transition, business IT alignment, BizOps approach, change management, process optimisation and DevOps; Bizmatica is also a major partner in the transformation of the cloud which helps companies to imagine, plan and design their cloud transformation project based on processes, customer interactions and data;
- **Helis (France)** is a consulting firm specialising in mission critical infrastructure consulting and engineering. With a team of over 60 consultants on assignment, Helis experts assist companies in their respective fields, in areas as specialised as IP and network infrastructure, GDPR compliance and Big Data and CSR, providing a bespoke solution to their transformation projects;

- **Trams|Econocom (United Kingdom)** has in house technical expertise backed by experienced and long-standing technical consultants, to provide skilled presales, installation and post-sales support on solutions including EUC, Storage Workflows, Network Infrastructure, Cloud (AWS, Azure & Google) & Security.

3.5. Combination of Planet and Satellite know-how

The combination of the know-how of the entities of the Planet (the Group's three historical activities) and the Satellites makes it possible to create these "end-to-end" transversal offers (consulting, design, sourcing, construction, financial approach, security, operation).

These "one stop shop" offers have no equivalent on the market. They allow companies to simplify and manage the entire life cycle of their resources. All of this through the placing of the user at the heart of the digital transformation.

3.5.1. HORIZONTAL TRANSVERSAL OFFERS

3.5.1.1. OneWorkplace: a responsible end-to-end offer, unique on the market

The digital workplace is a strategy for the performance of organisations (private and public), which aims to transform the working environment of employees by embracing consumer market standards, while reducing costs.

The health crisis we are experiencing has made this strategy even more meaningful. It is now essential for organisations to have a hybrid, available and secure digital workplace.

Having all the expertise needed to support this strategy, Econocom has chosen to structure them within a transversal offer in France: **OneWorkplace**.

The offer covers all the digital working environment needs of companies and their employees, whether in the office, at home, on the move or sedentary, and meets the expectations of both IT departments and employees, with Econocom's responsible entrepreneurial spirit at all times.

OneWorkplace is structured around **four areas, two pillars and three convictions**.

A value proposition structured around four areas (four Ps):

- **People - User Experience**

- ▶ **Enhanced user support**

Users are offered a support experience enhanced by Artificial Intelligence (chatbot, augmented agents).

- ▶ **Proximity reinvented**

Deskside support adapts and adopts new technologies to offer users a better experience (connected kiosks and lockers, zero touch, etc.).

- ▶ **Modern productivity and collaboration**

The Econocom teams support organisations in defining, deploying and managing collaboration and productivity solutions for the hybrid world (in particular Microsoft 365 and associated equipment - videoconferencing room, telephony convergence).

- **Platform - Access, Management and Security**

- ▶ **Unified workstation management**

Support for the transformation of the workstation strategy (PC and mobile - physical and virtual)

- ▶ **Desktop and Application Virtualization**

Based on Windows Virtual Desktop, this offer meets the challenges of virtualisation while enabling rapid implementation and cost optimisation.

- ▶ **Zero Trust Security**

Support in the evolution of security strategies to embrace ever more varied contexts which addresses all areas of exposure to risk: identity, workstations, mobile phones, data, applications, etc.

- **Products - End-to-end life cycle of equipment**

- ▶ **Holistic catalogue**

Distribution of equipment and accessories including more than 150,000 products and 2,000 brands

- ▶ **Order portal**

Catalogue, stock, delivery tracking: experience equivalent to BtoC with the critical functionalities for organisations (security, integration)

- ▶ **Modern and end-to-end life cycle management**

Services to ensure the end-to-end life cycle management of the equipment (implementation, maintenance and end-of-life)

- **Perennity - Impact and Governance**

Platforms and services for the governance and optimisation of the digital workplace through analytics:

- ▶ **Management of services and technologies**

- ▶ **Optimisation of the user experience (AI - Speech Analytics)**

The offer is enhanced by two key pillars:

- **Pricing**

Thanks to the Group's financing activity, OneWorkplace is adapting to consumer use with its Workplace as a Service offer.

• Partners

Thanks to its technical experts, Econocom is enhancing its offer with the innovations of its ecosystem of partners (Apple, Google, Microsoft, and VMware among many others).

The offer is developed around three convictions:

- The **User experience** is the priority.
- The offers are initially designed according to the principles of the **Cloud** (agility, interoperability, micro-services) and systematically associated with **automation**.
- **Artificial Intelligence** is used in a practical manner.

Econocom supports its customers through a smooth and controlled move to cloud, drawing on all its assets to serve both their strategies and their businesses.

Our belief: all companies can benefit from the cloud, but they each do it their own way.

To maximise benefits, the infrastructure model, operating model, security model and user practices must be specific to each organisation, and take into account its objectives, its current situation, its specifics and its constraints, its maturity and skills.

In order to enable companies to build and implement the cloud environment that best suits them and meets their needs, the Group is an expert of and partners with the main cloud providers, while our services and solutions cover the entire transformation chain:

- strategy, architecture, governance, operating model;
- modernisation and “move to cloud” migration of infrastructures and applications;
- definition and implementation of security policies;
- secure sovereign cloud service hosting;
- operation of hybrid and multi-cloud environments;
- adaptation of the application life cycle and dissemination of best practices.

3.5.2. VERTICAL TRANSVERSAL OFFER

With the proliferation of technological innovations, “smart phygital” is becoming the new norm. While many believed that e-commerce would wipe out physical stores, it is a 360° business that is emerging between on and off-line and has been further strengthened by the health crisis.

Econocom Retail’s ambition? To help retailers meet new challenges in their industry by offering their customers an experiential, connected and omnichannel retail solution to improve the customer experience with solutions supporting the entire customer journey. From digital solutions for attracting customers to the store, and then ensuring their loyalty after

they leave, including innovative solutions within the store itself, Econocom Retail aims to bring the future of customer experience to end-customers today.

Econocom Retail is:

- **end-to-end connected solutions** to provide customers with a unique, innovative and consistent customer experience;
- custom-designed software and solutions;
- **360° degree collaboration:** conception, support and financing;
- **a showroom and a labcentre:** an invitation to live the new retail experience with Econocom Retail.

4. Financial position and results

4.1. Highlights of the past three years

2021 was notable for:

- revenue from continuing operations of €2,505 million, stable compared to 2020;
- profit from current operating activities⁽¹⁾ of €135.7 million, up 16%;
- Alter Way was sold and the acquisition of Trams Ltd was completed in the UK;
- non-recurring net operating expenses were down sharply to €14.3 million due to the completion of the transformation plan;
- net financial debt⁽²⁾ amounted to €67 million compared to a net cash surplus of €20 million in 2020. This change is attributable to the share buybacks carried out in 2021 in the amount of €83 million and the increase in volumes of operations to be refinanced and own account activities within the TMF activity;
- as at 31 December 2021, treasury shares totaled 16.78% of the share capital.

2020 was notable for:

- revenue from continuing activities of €2,559 million at constant standards, down 11.3% compared to 2019;
- profit from current operating activities⁽³⁾ slightly up, totalling €122.5 million for continuing activities;
- EBC (Econocom Business Continuity) and digital.security were sold;

- the implementation of the plan to reduce direct and indirect expenses by €96.5 million (gross) initiated in 2019 is being finalised;
- 2020 posted a significant decline in net financial debt, with a net cash position of €20 million at the end of the year. This achievement was made possible through a significant improvement in operating cash flow, proceeds from the divestiture of non-strategic assets for around €125 million, while maintaining an interim dividend payment and treasury share buybacks;
- as at 31 December 2020, treasury shares totalled 4.43% of the share capital.

2019 was notable for:

- revenue of €2,927 million stable over its continuing operations at constant standards, identical to 2018. On an organic basis, it was down slightly by 0.8%. Restated for the drop in revenue of TMF in Italy, growth amounted to 4.5% (of which 3.7% organic growth);
- in the process of refocusing its activities, the Group placed 13 companies/activities in the IFRS 5 scope of application (discontinued operations);
- profit from current operating activities⁽⁴⁾ which stands at €126 million for continuing activities;
- the companies Jade and Rayonnance were sold (however, the Group has retained 10% of Rayonnance);
- the Group launched a plan to reduce direct and indirect expenses by €96.5 million gross spread out over three years. Saving totalled €30 million in 2019;

(1) Before amortisation of intangible assets from acquisitions

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

(3) Before amortisation of intangible assets from acquisitions.

(4) Before amortisation of intangible assets from acquisitions.

02 group overview

financial position and results

- net financial debt remained stable compared with 2018. On the one hand, this reflects sound operating cash flow generation, the cash inflows received from the partial sale of Rayonnance in December, as well as the decline working capital requirements for EDFL and, on the other hand, the cash outflows in the year related to the acquisition of non-controlling interests in Satellites, to the redemption of the issue premium and to treasury share buybacks;
- as at 31 December 2019, treasury shares totalled 9.56% of the share capital.

4.2. Consolidated data for the year: comparison between 2021, 2020 and 2019

4.2.1. KEY FIGURES

<i>in € millions</i>	2021	2020 restated*	2019 restated**
Revenue from continuing operations	2,505	2,521	2,914
Profit (loss) from continuing operations before amortisation of intangible assets from acquisitions ⁽¹⁾	135.7	119.6	125.1
Profit (loss) from continuing operations	133.5	117.5	123.1
Profit (loss) from operating activities	119.2	81.7	86.8
Shareholders' equity (including non-controlling interests)	444.3	472.9	483.9
Net cash surplus/ (Net financial debt)	(66.9)	+20.2	(252.2)

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

** In accordance with IFRS 5, 2019 income and expenses of operations considered discontinued in 2020 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2019 consolidated income statement is impacted by the reclassification of factoring costs which are now recognised in profit (loss) from operating activities.

4.2.2. REVENUE

<i>in € millions</i>	2021	2020 restated*	2019 restated**
Products & Solutions	1,068	1,073	1,128
Services	516	554	651
Technology Management & Financing	921	894	1,135
Total revenue	2,505	2,521	2,914

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

** In accordance with IFRS 5, 2019 income and expenses of operations considered discontinued in 2020 are reclassified to "Profit (loss) from discontinued operations" in the 2019 income statement.

For continuing operations, the Group reported for financial year 2021 annual consolidated revenue of €2,505 million, stable compared to the previous year (-1.0% on an organic basis).

Products & Solutions

Products & Solutions posted revenue in 2021 of €1,068 million compared with €1,073 million in 2020, or a decrease of 0.5% (of which 2.5% on an organic basis). After several years of strong growth, including organic growth of 8.3% the previous year, the business was impacted by supply tensions.

Services

Services achieved revenue for 2021 of €516 million, a contraction of approximately 3.1% due to the ambition to focus on contracts with higher added value. The strengthening of the selection criteria for

new business resulted in a significant increase in the Services margin in 2021.

In 2020, this activity had posted a decrease of 7.5% mainly due to the lockdown periods that affected the various regions of the Group during the second quarter.

Technology Management & Financing

At 31 December 2021, Technology Management & Financing recorded revenue of €921 million compared with €894 million one year earlier, which is an increase of 3% of which 4% organic. This growth was noticeable in almost all Group regions with the exception of Benelux and was particularly marked in Southern Europe and the Americas.

This activity posted a decline of 19.9% in 2020 due to difficulties encountered in the context of the global pandemic.

4.2.3. PROFIT (LOSS) FROM CURRENT OPERATING ACTIVITIES

<i>in € millions</i>	2021	2020 restated*	2019 restated**
Products & Solutions	53.5	46.6	45.3
Services	42.5	35.2	35.8
Technology Management & Financing	39.8	37.8	43.9
Total Profit (loss) from current operating activities⁽¹⁾	135.7	119.6	125.1

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

** In accordance with IFRS 5, 2019 income and expenses of operations considered discontinued in 2020 are reclassified to "Profit (loss) from discontinued operations" in the 2019 income statement. In addition, the 2019 consolidated income statement is impacted by the reclassification of factoring costs which are now recognised in profit (loss) from operating activities.

(1) Before amortisation of intangible assets from acquisitions.

The Group's profit from current operating activities before amortisation of intangible assets from acquisitions is €135.7 million, *i.e.* 5.4% of revenue. In 2020, it was €119.6 million, the Group having benefited from the effects

of its cost-cutting plan launched in early 2019, the continuous productivity improvement in Services and its focus on projects with higher added value.

In 2019 the Group's profit from current operating activities stood at €125.1 million, accounting for 4.3% of revenue.

4.2.4. PROFIT (LOSS) FROM OPERATING ACTIVITIES

The Group's profit from operating activities was €119,2 million in 2021, compared with €81,7 million in the previous year. Non-recurring expenses amounted to €14.3 million, down sharply compared to the €35.8 million in 2020, mainly due to the significant reduction in restructuring costs that had been recorded last year.

4.3. Equity restrictions

In May 2015, the Group issued a Euro Private Placement (Euro PP) bond and a *Schuldschein* loan in November 2016.

The Group is subject to one single covenant in relation to these bond issues. It is calculated as of 31 December of each year, and corresponds to the ratio of net financial debt to *proforma* EBITDA, and it may not exceed 3x 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.

In 2019, non-recurring expenses amounted to €26.8 million as a result of new organisation measures and costs associated with the closure of sites.

4.2.5. FINANCIAL POSITION

The Group boasted a sound financial position at 31 December 2021, with net cash of €334 million and net financial debt of €67 million.

At 31 December 2020, the Group had a net cash surplus of €20 million, compared to net financial debt €252 million at 31 December 2019.

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

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

5. Corporate governance

5.1. Board of Directors and Advisory Committees

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

- articles 7:85 *et seq.* of the Belgian Companies Code;
- articles 14 *et seq.* of the Bylaws;
- the internal rules of the respective Committees, available on the Econocom website (www.econocom.com), *i.e.*:
 - (i) the internal rule of the Board of Directors' meeting of 19 May 2016 (the "Board of Directors' internal rule"),
 - (ii) the internal rule of the Executive Committee of 7 September 2016 (the "Executive Committee's internal rules"),
 - (iii) the internal rules of the Audit Committee of 23 January 2020 (the "Audit Committee's internal rules"), and
 - (iv) the internal rules of the Compensation and Appointments Committee of 23 January 2020 (the "Compensation and Appointments Committee's internal rule").

For more details on corporate governance, please refer to section 5, chapter 5 of this report, which contains the Management Report of the Board of Directors on the financial statements for the year ended 31 December 2021.

5.1.1. BOARD OF DIRECTORS

5.1.1.1. Composition of the Board of Directors

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

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

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

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

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

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

5.1.1.2. Vacancy (article 15 of the Bylaws)

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

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

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

The Chairman of the Board is responsible for:

1. ensuring the management by the Board, and in particular see to it that the Board is well organised, operates efficiently and performs its obligations and responsibilities, namely:

- ▶ preparing, convening, presiding and managing the sessions of the Board and making certain that in the meetings, sufficient time is reserved for a serious in-depth discussion of the relevant issues,
- ▶ drawing up the agenda for the meetings of the Board, in liaison with the managing Director(s), Chief Executive Officer(s) and, where appropriate, the Executive Committee,
- ▶ ensuring that the Board receives the appropriate information and that the documents supporting proposals for decisions are relevant and readily available within a reasonable time prior to Board meetings;

2. ensuring the quality and continuity of the Board's work by initiating and managing procedures concerning:

- ▶ the assessment of the size, composition and performance of the Board of Directors or the managing Director(s), its Committees, Chief Executive Officers and the Executive Committee to ensure the efficiency of the decision-making process,
- ▶ appointing or re-electing members of the Board, the managing Directors, members of the Board's Committees and the Executive Committee and Chief Executive Officers;

3. "liaising" between the Board, Chief Executive Officers and the Executive Committee. This involves:

- ▶ meeting regularly with the managing Director(s), Chief Executive Officers and other members of the Executive Committee,
- ▶ seeing to it that relations between the Board and the Chief Executive Officers and Executive Committee are of a professional and constructive nature and that the Executive Committee provides the Board with the information necessary to play its role in terms of evaluation, decision-making, supervision and control,
- ▶ if it deems it in the interest of the Company, the Board may turn over the position of Chairman to any Director who performs executive duties within Econocom,
- ▶ in the absence of the Chairman of the Board, the Vice-Chairman replaces him. Should both the Chairman and the Vice-Chairman be prevented from attending a Board meeting, the Directors present elect a Chairman for the meeting in question.

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

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

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

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

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

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

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

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

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

- appoint, monitor and evaluate the managing Director(s) and Chief Executive Officers, members of the Committees established in accordance with the provisions of the Belgian Companies Code,

as well as members of the Executive Committee and, more broadly, ensure the establishment of a clear and effective management structure;

- approve the strategic plans on the suggestion by the Chairman of the Board after study with the Executive Committee;
- assess Econocom's functioning in relation to its strategic and budgetary targets, based notably on a quarterly review of financial results and any other reports made to the Board;
- approve any acquisitions, investments or internal reorganisation considered strategic by the Chairman of the Board or the Executive Committee;
- 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, managing Director or Executive Committee member believes should be submitted for approval by the Board due to its strategic significance (even in relation to matters delegated by the Board to the Executive Committee, the managing Directors, the Chief Executive Officers or any third party);
- take all decisions on matters set aside for it by law and the Bylaws, including any decision to be submitted to the General Meeting;
- assess its own functioning and interaction with the managing Director(s), the Chief Executive Officers and the Executive Committee.

5.1.1.3. Functioning of the Board of Directors

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

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

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

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

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

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

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

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

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

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

Decisions of the Board are adopted on the basis of a majority of votes cast; abstentions are not counted. When there is no majority,

the person chairing the meeting holds the casting vote.

The decisions of the Board may be taken by unanimous decision of all Directors, expressed in writing. However, this procedure cannot be used for the approval of the annual financial statements or the utilisation of the authorised capital.

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

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

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

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

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

Deliberations of the Board of Directors are recorded in the minutes of the meeting. In accordance with the Bylaws, these minutes must be signed by at least the majority of the members in attendance. However, the Board of Directors, at its meeting of 4 September 2019, unanimously decided that the minutes would be signed at the next Board meeting and would from now on be signed by the Chairman, the Board Secretary and if applicable by Directors that so request.

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

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

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

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

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

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

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

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

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

exercise of their powers, subject to the consent of the Board of Directors or the person responsible for day-to-day management (as appropriate).

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

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

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

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

5.1.1.6. Representation (article 22 of the Bylaws)

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

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

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

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

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

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

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

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

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

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

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

5.1.2.1.1. General information

Pursuant to articles 15:18 and 7:121 of the Belgian Companies Code and article 21 of the Company's Bylaws, the Board may establish an Executive Committee, consisting of several persons, Directors or not, and delegate to it the operational management of the Company, as well as special powers other than those relating to operational management, without prejudice to the day-to-day management powers conferred to the managing Directors and Chief Executive Officers.

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

5.1.2.1.2. Composition of the Executive Committee

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

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

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

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

5.1.2.1.3. Role of the Executive Committee

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

- taking all steps necessary to implement the decisions or recommendations of the Board;
- proposing strategic guidelines to be set by the Board, and framing budgets within the strategic guidelines laid down by the Board;
- managing the Group's operating entities (in accordance with the powers of the bodies of these entities), and supervising their financial and operating performance;

- entering into all agreements, making and approving all pricing proposals, placing and accepting all orders to buy, sell or lease any equipment and other capital goods and services;
- leasing and renting out, even for long periods, any properties, equipment or intangible assets, and entering into any lease and rental agreements concerning such assets;
- concluding financing, with or without the provision of collateral, except for the following transactions, which fall within the scope of the powers of the Board: any capital market transaction (other than commercial paper), any financing that has the effect of causing consolidated net debt to exceed consolidated equity or to represent more than 2x consolidated EBITDA;
- performing any external growth transaction, investment or disinvestment, with the exception of strategic transactions (including any transaction whose value or consideration exceeds €4 million), which fall within the scope of the powers of the Board of Directors;
- acting in dealings with the national government or EU, regional, state and municipal authorities, the Crossroads Bank for Enterprises (*Banque-Carrefour des Entreprises*), the tax authorities, the postal service, customs authorities, telecommunications companies and any other public departments or authorities;
- managing all legal or arbitration proceedings, as plaintiff or defendant, negotiating all settlements, taking all steps necessary in this respect, and obtaining and enforcing all rulings;

- representing Econocom in its dealings with trade union and employer representative bodies;
- drafting and signing all documents necessary for implementing the powers delegated to it.

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

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

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

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

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

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

With the exception of the matters described below, the rules set out in the Bylaws applicable to Board meetings, deliberations and minutes also apply 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 Executive Committee's discussions are based on files containing all information needed for decisions to be made, distributed to each member. 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.

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

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

At 31 December 2021, the Executive Committee consisted of Jean-Louis Bouchard, representing Econocom International BV, Éric Bazile, Angel Benguigui, Philippe Goullioud, Laurent Roudil, Chantal De Vrieze and Samira Draoua.

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

5.1.2.2.1. *General information*

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

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

5.1.2.2.2. *Composition of the Audit Committee*

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

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

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

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

At 31 December 2021, the Audit Committee consisted of Robert Bouchard, Jean-Philippe Roesch and Marie-Christine Levet. The Committee is chaired by Robert Bouchard.

5.1.2.2.3. Role of the Audit Committee

The Audit Committee is responsible for the tasks described below:

1. Production of financial information

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

2. Internal control – risk management

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

3. Internal Audit

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

and applies the findings and recommendations;

4. External Audit

- ▶ formulating recommendations to the Board of Directors as to the appointment of the Company's Statutory Auditor or the renewal of his/her term of office, the amount of his/her compensation and any mention of his/her mission,
- ▶ ensuring Statutory Auditor's independence, chiefly in light of the provisions set forth in the Belgian Companies Code,
- ▶ identifying the Statutory Auditor's work programme and reports,
- ▶ periodically reviewing the effectiveness of the external audit process and analysing how the Executive Management follows up on any recommendations made by the Statutory Auditor,
- ▶ defining, together with the Company's Statutory Auditor, the nature, scope and cost of the Statutory Auditor's involvement in any work performed that is unrelated to the statutory audit engagement;

5. Other

- ▶ formulating recommendations to the Board of Directors concerning matters falling within the scope of responsibility of the Audit Committee,
- ▶ fulfilling any other roles assigned by the Board of Directors.

5.1.2.2.4. Functioning of the Audit Committee

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

The Chairman of the Audit Committee determines the agenda for each meeting. An Executive Management or Audit Committee member may ask the Chairman

of the Audit Committee to place any item he or she considers appropriate on the agenda.

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

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

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

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

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

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

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

The Audit Committee informs the Board of all significant issues to for which it believes

that measures must be implemented or for which an improvement is recommended.

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

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

5.1.2.3.1. General information

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

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

5.1.2.3.2. Composition of the Compensation and Appointments Committee

The Compensation and Appointments Committee consists of three non-executive

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

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

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

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

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

At 31 December 2021, the Compensation and Appointments Committee consisted of Adeline Challon-Kemoun, Marie-Christine Levet and Robert Bouchard. The Committee is chaired by Marie-Christine Levet.

5.1.2.3.3. Role of the Compensation and Appointments Committee

Compensation component

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

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

- c) the contractual terms and conditions that support this compensation;
- d) the determination and assessment of performance targets linked to individual compensation;
- e) stock option or share plans (budget, beneficiaries, characteristics and conditions).

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

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

Appointments component

At the request of the Chairman of the Board, the Committee is responsible for formulating recommendations and giving its opinion to the Board on the appointment and reappointment of corporate officers and the appointment of executives with the 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's conducts its work under the responsibility and supervision of the Board to which it reports. Within the limits of the powers entrusted to the Board and in accordance with its rules, the Committee is subsequently responsible for implementing the plans and in particular for allocating and distributing, following the recommendation of the Chairman of the Board of Directors, the amount previously set by the Board of Directors.

5.1.2.3.4. Functioning of the Compensation and Appointments Committee

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

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

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

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

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

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

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

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

The Compensation and Appointments Committee can deliberate if at least two of its members are in attendance or legitimately represented. Decisions of the Compensation

and Appointments Committee are made by a majority of votes cast by Compensation and Appointments Committee members that are in attendance or legitimately represented. In the event of a tie, the Chairman of the Committee makes the final decision.

5.2. Conflicts of interest

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

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

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

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

When a Director or an Executive Committee member, directly or indirectly, has an interest that is contrary to a decision or transaction made by Econocom, bearing on personal assets or not, he or she shall immediately inform the Chairman of the Board, and, if he or she is a Director, the other Directors, and if he or she is a member of the Executive Committee, the other members of said Committee, no later than the beginning of the meeting at which the matter giving rise to the conflict is discussed. He or she shall then not take part in the discussion or vote on the matter. The Chairman shall then decide whether it is appropriate to make a report to the Board.

The transactions covered by this section are submitted to the Audit Committee, whose task is to ensure that said transactions comply with the procedures outlined above or, where applicable, that they are normal transactions conducted under normal market conditions and guarantees generally applied to transactions of a similar nature. The Audit Committee found that almost all of agreements reached during the 2021 financial year were normal transactions conducted under normal market conditions.

All material agreements between Econocom Group and its related parties are disclosed in note 22, "Related-party information", to the consolidated financial statements in the 2021 annual report.

5.3. Biographies of Directors

Econocom International BV is controlled and represented by **Jean-Louis Bouchard**. After starting his career at IBM in Europe and the United States, Jean-Louis Bouchard laid the foundations of the Group in France in 1973 under the name of Europe Computer Systèmes (ECS). After the acquisition in 1984

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

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

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

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

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

2020. He remains a Director of Econocom Group.

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

Jean-Philippe Roesch began his career with six years at Arthur Andersen. He joined Econocom Group at the end of 1989 as Chief Financial Officer for Econocom France. After heading various subsidiaries within the Group, Jean-Philippe Roesch held a number of roles (Company Secretary of Econocom Group in 2001, Deputy Chief Executive Officer in 2004), culminating in his appointment as Chief Executive Officer in 2006. He ceased to perform these duties at the end of 2016. From October 2018 to July 2019, he had a support role for the Executive Committee.

Eric Boustouller developed his career in the digital sector. Within large global groups, he held marketing and sales positions (Compaq, Microsoft) and Senior Management responsibilities (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, a French listed company. Since 2011 he has been a business angel in start-ups (Content Square, Codingame, Confiant, Jus Mundi, Saagie, Intercloud, Elevo, etc.) and investment funds (Partech, Cap Horn, C4 Ventures). He is also a Knight of the Legion of

Honor (*Chevalier de la Légion d'Honneur*) in France.

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

6. Research and development

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

In 2021, R&D efforts were pursued in continuity with the areas developed in prior years with the aim of providing intensive support and assistance for any innovative solutions produced by our customers.

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

In 2021, the Group continued its efforts to strengthen the collaboration of its various entities (Planet and Satellites) around innovative projects in order to federate all available expertise around promising themes

for the Group's business. In this context, work was carried out on the virtualisation of workstations and end-to-end management of virtualised assets, as well as research and development on the use of artificial intelligence and chatbots to optimise user support. The experiments carried out in 2021 proved very satisfactory and enabled us to translate this R&D work into customer projects, and to identify new research fields to exploit the full potential of artificial intelligence and digital technology to serve the user experience.

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

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

7. Main investments

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

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

7.1. In 2019

OTHER INTERESTS ACQUIRED AND INVESTMENTS

Synertrade: the Group acquired the minority stake (10%) in July 2019, thus raising its stake to 100%.

Gigigo: Econocom Group SE acquired all the non-controlling interests (30%) in July 2019.

Infeeny: during the first half, Econocom Group SE acquired 9.66% of the company's share capital.

JTRS: Econocom Group increased its stake in the company through the acquisition of shares from a minority shareholder (5%).

Altabox: at end-2019 the Group exercised part of its options on 15% of the company's share capital, raising its interest to 85%.

7.2. In 2020

The deals carried out in 2020 are as follows:

- acquisitions in the Technology Management & Financing activity.

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

OTHER INTERESTS ACQUIRED AND INVESTMENTS

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

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

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

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

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

7.3. In 2021

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

In this context, Econocom acquired a majority stake in Trams Ltd in the United Kingdom. Trams is a recognised player in IT distribution in the UK thanks to its key partnerships with Apple, HP, Lenovo and Dell. This alliance with Trams, which will expand the Group's footprint in a core target country, fits in perfectly with the Group's strategy of building an attractive global offering around distribution. This will also foster strong complementarities with TMF's digital asset financing solutions. 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%.

8. Additional information

8.1. Legal and arbitration proceedings

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

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

8.2. Major contracts

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

03

corporate social responsibility

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Our approach

CSR stakes and mission

How do we set this in motion?

Responsibility is more than ever encapsulated in Econocom's DNA. In 2021, the Group strengthened most of its flagship initiatives and launched new ones, both in France and internationally. To embody its vision, in 2021 the Econocom Group published its Manifesto in which it recalls the goals it has committed to pursue as a Responsible Digital Entrepreneur. In the same year, the Group became a member of the Institut du Numérique Responsable and published its ESG indicators on the government platform Impact.gouv, as well as in its first Impact report.

Environmental and societal stakes

Digital pollution generated by the internet seems invisible. However, each email, each search or each video consumes energy and generates greenhouse gas emissions. Various studies quantified the impact from digital technology on a global scale, placing it between 2% and 4.3% of total CO₂ emissions and between 5 and 10% of total electricity consumption, depending on the sources.

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

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

The Group also seeks to have a positive societal and social impact **by promoting the diversity of skills, by being more socially supportive and developing evermore people-oriented ethics.**

Useful digital technology at the core of the CSR mission

Econocom designs and develops **digital technology that is really useful for the end user.**

We believe that useful digital technology is one of the essential keys not only to fight against digital waste, but also contribute to the performance and competitiveness of companies. **Econocom's mission regarding social responsibility is: to provide our customers and their users with effective and responsible digital solutions, generating a positive impact.**

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

HR and environmental commitment

Finally, the Econocom Group's social responsibility cannot be envisaged without an appropriate HR strategy and a responsible environmental policy.

The organisation

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

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

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

Our roadmap

The ambitious and demanding road map includes all of the significant issues identified in the survey of internal and external Group stakeholders. It highlights the points which

Econocom would like to develop over the next few years.

NURTURE OUR EXCELLENCE THROUGH RESPONSIBLE COMMITMENT

- Position ourselves as a committed employer.
- Conduct a demanding environmental policy.
- Be an ethical and responsible player.

SUPPORT THE NEW RESPONSIBLE USES OF OUR CUSTOMERS AND USERS

- Promote responsible digital services (environmental impact, digital divide) and the circular economy.
- Boost responsible innovation in internal and external collaborations.

FEDERATE AN ECOSYSTEM TO CREATE SHARED VALUE

- Support new uses linked to useful digital business in the education sector, and Green IT.
- Become the partner of choice for innovative companies and integrate them into our offers.
- Develop our local roots.

Actions and highlights

References, standards and highlights

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

- Econocom was honoured with the Ecovadis Silver medal for its CSR performance with a score of 62/100 in 2020, up four points compared with 2019.



- The Econocom Group was ranked among the 200 socially responsible companies in France, and among the top 20 in its business segment. This study was conducted by Le Point, in collaboration with Statista. This recognition is a tribute to the many efforts made by the Group and reinforces its commitment to its ecosystem, the circular economy, inclusion and innovation to meet the challenges of the future.



- Econocom is one of the few DSCs to have signed the Impact Manifesto launched by the Government for a more responsible economy, intended to make environmental, social and corporate governance data visible and readable.
- This year, Econocom also signed the Charter of the Institut du Numérique Responsable.



- The Econocom Group published its very first impact report on its actions as a responsible digital entrepreneur. This first report demonstrates the Group's desire to measure, in a concrete and continuous way, the impact of its actions for responsible digital technology, in connection with its ecosystem.

(<https://www.econocom.com/fr/newsroom/groupe-econocom-devoile-son-premier-rapport-impact>)



Labels and certifications

- Econocom uses the ISO 26000 standard to ensure compliance with the guidelines in terms of social responsibility.
- ISO 9001 and ISO/CEI 27001 certifications are managed locally in France, Morocco, Benelux, Spain and Italy.

Increased presence among Green IT players

- Since 2021, Econocom has been a member of the Institut du Numérique Responsable.
- Econocom was present at the Prourable trade fair in September 2021 to run a workshop on solutions for measuring the digital impact of companies.
- In November 2021, Econocom took part in the first edition of the Green'Tech Forum and ran a workshop on the end of life of IT equipment.
- Econocom won the Second Life Award organised by the *Cas d'Or* for responsible digital technology for its Ecotwice offer.



Commitments to the SDG (Sustainable Development Goals)

Econocom recognises the urgency for private and public sector players to converge together towards the 17 Sustainable Development Goals identified by the United Nations. As part of its commitment, Econocom has identified goals that fall under a priority commitment, active contribution, or participation. 11 Goals have been identified and included into the CSR policy.



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

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

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

Strategic area	CSR stake (roadmap)	Theme	Risks	Chapter number	
Nurture our excellence through responsible commitment	Position ourself as a committed employer	Talent attraction	Increased turnover rate and difficulty in attracting, developing and retaining sufficient talent	1	
		Health, safety and well-being at work	Deterioration of quality of life at work, health and safety not guaranteed	1	
		Skills development	Out-of-date skills in relation to market needs and/or changes (turnover, training, etc.)	1	
		Social dialogue	Deterioration of internal relations and social climate	1	
		Inclusion and diversity	Discrimination/unequal treatment of employees (parity, inclusion of all forms of diversity)	1	
	Conduct a demanding environmental policy	Taking into account the impacts of activities on climate change	Negative impacts of activities on the environment	1	
		Digital environmental impact (Green IT)	Negative impacts of digital technology on the environment	1	
	Be an ethical and responsible player	Acting ethically and with integrity	Practices contrary to ethics rules Non-compliance with the law and/or regulations	1	
		Data protection	Data breach	1	
		Cybersecurity	IT breach Destabilisation/lack of resilience following an attack	1	
		Responsible purchasing	Insufficient control over the supply chain Non-compliance by partners with the Group's responsible purchasing/CSR values charter	1	
	Support the new responsible uses of our customers and users	Promote responsible digital business and the circular economy	Circular economy	Negative impacts of products on the environment	2
			Responsible digital technology and the circular economy - customer offer	Inadequacy of the offer with customer expectations and societal and environmental needs	2
Federate an ecosystem to create shared value	Partnerships in the education sector and Green IT university.	Local support and local roots	Withdrawal from the region and insufficient or inadequate awareness raising and education on digital technology	3	

1. Nurture our excellence through responsible commitment

Econocom's CSR policy is focused on applying good practice within the Group, firstly through an HR policy focused on developing employee satisfaction, and then through its demanding environmental policy, and finally, by establishing itself as an ethical and responsible player.

1.1. Position ourself as a committed employer

From recruitment to professional development, the Group makes employee satisfaction a top priority. They are the Group's main ambassadors. Health and

well-being at work are included in HR priorities to protect and develop the Group's 8,197 employees as of 31 December 2021, with 69% in Services.

Breakdown of workforce* by business

	31 Dec. 2021	31 Dec. 2020
Technology Management & Financing	672	751
Services	5,656	6,730
Products & Solutions	1,513	1,431
Holding and support functions	225	209
Total employees	8,066	9,121
Sales agents	131	119
Total	8,197	9,240

* Workforce recorded according to the activity of the company to which the employees belong. Only companies that are more than 50%-owned are reported.

Breakdown of workforce by region

	31 Dec. 2021	31 Dec. 2020
France	5,152	6,035
Benelux	707	699
Southern Europe	2,035	2,042
Northern & Eastern Europe/Americas	303	464
Total	8,197	9,240

The strategy to refocus activities begun in 2019 led to the disposal of several companies in 2020 and 2021, which resulted in a decrease of the workforce and a specialisation of key profiles.

1.1.1. HIRING AND ONBOARDING POLICY

Risks

DSCs are characterised by one of the highest turnover rates across all sectors and a shortage of skills. This can therefore be identified as a very significant risk for the recruitment and retention of talent, particularly for the Services entity.

Policy

Attracting and retaining talent has become one of the main challenges of the Human Resources Department, which is developing a strong policy in terms of talent and career management. The Group wants every employee to be able to grow in an exciting and rewarding work environment, by carrying out diversified and meaningful assignments. This begins with putting the right skills in the right places, by managing hiring and mobility. New hires benefit from a personalised onboarding programme aimed at introducing them to all the teams. Econocom Group supports the career development of its employees by providing a wide range of training options. Career management and professional development of employees are part of a structured process to target specific initiatives for different employee profiles.

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

Talent acquisition

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

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

In 2021, the Group hired 1,481 people.

Number of new hires by region in 2021

	Number of new hires in 2021
Benelux	49
France	884
• Planet	768
• Exaprobe and Infeeny	78
• Other satellites	38
Spain	246
Italy	85
Other countries	217
Total	1,481

Talent integration

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

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

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

These actions will be relaunched in 2022 for all new employees, if possible in person.

The indicators for monitoring the attraction policy are shown below:

Attracting talent:	2020	2021
Number of new hires in the Group	1,778	1,481
Number of new hires in Planet France	909	768

1.1.2. PROFESSIONAL DEVELOPMENT

Risks

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

Training policy

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

Econocom believes that training is a key factor in both employees' professional

advancement and the Group's success. In France, 39,000 hours of training were provided in 2021.

Career management

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

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

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

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

Internal digital transformation

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

- **workspace layout**

In 2021, digital transformation also involved adapting workspaces. To this end, Econocom has redesigned the layout of its offices to create spaces where people can come together to share ideas under the watchwords of co-creation and collaboration.

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

The Hub, a showcase for digital transformation

The Hub is Econocom's new flagship building in France. Entirely overhauled in 2020, it was inaugurated in early 2021 and accommodates around 500 Group employees. The spaces are designed to meet the new standards and challenges of digital transformation, at a time when digital technology is playing an increasingly central role with the development of "remote" and teleworking.

Connected collaborative spaces, offices in flex mode, video meeting rooms, large auditorium, specific spaces dedicated to training, etc. The Hub is above all a place to share ideas, discuss, create, learn and work, together. This meeting ground is genuinely open to the outside world. On the ground floor, the Digital Hub is specifically dedicated to customers and partners. Made up of four different spaces, it has a role: provide an immersive, friendly and relaxed experience, to enhance loyalty.

- **The "Digital Bars"**

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

Focus on the four spaces of the digital hub

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

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

• Meal vouchers in digital format

At the end of 2020, a new meal voucher service was introduced, replacing paper vouchers with a card developed by Swile. The digitisation of these vouchers allows to reduce the carbon footprint by eliminating paper and, makes it easier for employees to use. This digital card allows contactless payment, top-up, donations, money pools, etc.

The indicators for monitoring the Training policy are shown below:

Skills development:	2020	2021
Number of hours of training (Planet France)	26,775	38,906

1.1.3. EMPLOYEE SATISFACTION

Risks

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

Policy

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

Share engagement programme

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

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

03 corporate social responsibility

nurture our excellence through responsible commitment

For Quality Life at Work week, Econocom organised two webinars on the following themes: “sleep, a good night’s sleep to stay in shape”, and “Eating a balanced meal in all circumstances” as well as a workshop to learn about relaxation therapy basics.

In this context, we have developed a Work2021 Flexi work programme: solutions to better organise working time.

2021 saw the deployment of a new way of working for all Econocom employees.

This global approach, entitled “Work21”, coordinated by the HR Department with Management and the IT Department, aims to build and implement solutions through four key projects:

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

In the exceptional context of 2020 and 2021, Econocom was able to adapt, set up a system of remote work, which is now permanent for many of its employees, and roll out efficient collaborative tools while training all managers. A Work 21 guide was also published so that everyone can find answers to their questions.

The indicators for monitoring remote work are shown below:

Remote work programme		
Percentage of employees working from home in 2021 - Group		
	2020	2021*
Percentage of employees working from home - Planet France	10.8%	30.2%

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

1.1.4. DIVERSITY POLICY

Risk

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

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

The potential risks are:

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

Policy

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

The Group is a signatory of the Diversity Charter

The Econocom Group is convinced that the diversity of its profiles and talent is a source of performance for its business and to make a public commitment, in 2021 we signed the Diversity Charter.

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

Econocom is committed to:

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

Gender equality

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

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

Progress in gender parity cannot be made without raising the awareness of management and involving men in the process. The Group has also strengthened the presence of women on the Board of Directors which has three women among the eight Directors. Similarly, two women from the French Business and Global Business departments were appointed to the Group Executive Committee. Women also represent 40% of the Group's Business and Operational Senior Management.

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The Econocom gender equality index calculated in 2021 for the 2020 was 78/100 for Planet companies in France.

This index is based on five indicators:

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

The index for the 2021 will be available as from March 2022.

Gender breakdown in France in 2021 (excluding Satellites)

France	Support functions	Products & Solutions	Services	Technology Management & Financing	Total
Women	13	62	319	44	437
Men	6	36	1,920	12	1,974
Non-managers	19	98	2,238	56	2,411
Women	80	51	287	71	489
Men	60	47	1,325	72	1,504
Executives	140	98	1,613	143	1,993
Total	158	196	3,851	199	4,405

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

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

Aware of the added value that gender diversity gives to an organisation,

Econocom would like to encourage the presence of women in its activities and make digital sectors, where women are under-represented, more attractive.

This ambitious programme set three major objectives:

- to attract and recruit more women in the workforce through retraining;

- to promote and showcase the skill and expertise of employees;
- to raise awareness among young girls about digital careers.

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

Attract and recruit through retraining with the Manifesto:

#ReconversionFemmesNumérique

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

By signing the **#ReconversionFemmesNumérique Manifesto** launched by Numeum, a professional organisation in the IT sector, Econocom made the commitment to ensure access to digital jobs for women.

Econocom, a founding member of the Femmes@Numérique Foundation

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

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

The aim of the association (womentech.eu) is to reflect internally and externally the commitment to support diversity, inclusion and the development of women leadership as well as social innovation through research and the spread of new technologies and therefore new professions.

Econocom UK, member of “100 Women in Finance”

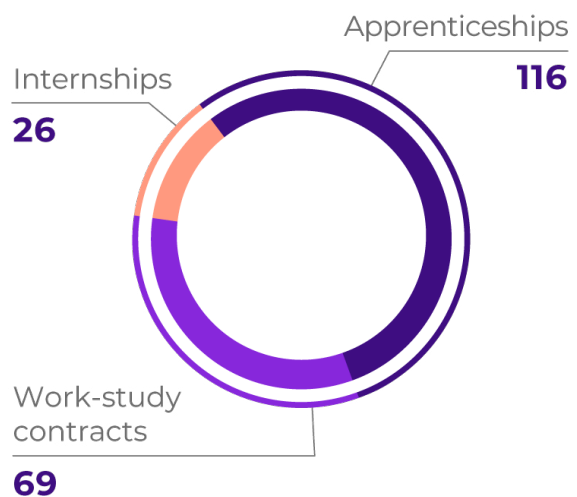
To foster gender equality in the finance industry, Econocom partners with “100 Women in Finance”, a global network of finance professionals who work together to give women more opportunities at every stage of their careers.

Anti-discrimination policy

Professional integration of young people

For its Services business in France, Econocom Group clearly encourages hiring young graduates and final-year students. Econocom plays an important role in training by supporting young workers every year in internships and work-study programmes. These undergraduate and master’s-level training programmes are monitored by tutors in technical and functional jobs. As Econocom’s Services business has the highest recruitment needs, it has established special partnerships with more than 40 schools.

Breakdown of work-study students and interns in the Planet companies in 2021



Supporting employees aged over 45

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

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

Professional integration through POEI (operational preparation for individual employment)

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

This scheme enables job seekers to get back in employment.

In 2018 only 10 people (*i.e.* slightly less than 1% of new recruits) were recruited using this method.

In 2021 we significantly developed this source of recruits, hired (employees on permanent and temporary contracts and on work/study placements) *via* the POEI scheme, representing 7.5% of the 730 new staff hired in 2021 for the Services France entity.

For these 55 recruitments:

- 55 POEI schemes, *i.e.* 7.5%;
- 19 women, *i.e.* 34.5%;
- seven engineers, *i.e.* 12.7%;
- four disabled people, *i.e.* 7.3%;
- average age 29;
- 46 permanent contracts *i.e.* 83.6%.

People with disabilities

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

With this agreement, Econocom is committed to increasing its employment rate for people with disabilities, the percentage of people with disabilities calculated for the DOETH increased from 2.61% in 2018 to 4.30% in 2020. This represents an increase of 1.7% in just two years by implementing an employment policy which aims to meet **four major objectives**:

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

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

Discrimination/unequal treatment of employees:	2020	2021
Percentage of people with disabilities - Planet France*	4.30%	Available from March 2022

* Planet France scope in 2020.

1.1.5. SOCIAL DIALOGUE

Risks

The lack of social dialogue could lead to employee demotivation and labour disputes, which could impact the Group's operations and result in productivity and/or revenue losses.

Policy

Social dialogue addresses many issues and has a definite impact on the efficiency of a company.

Social dialogue is therefore a crucial stage in social relations, in order, of course, to maintain a link and a communication channel between the Company's Management and employees, but also to defuse potential conflicts.

The Econocom Group promotes social dialogue so that employees can develop in a high-quality working environment where they feel a sense of well-being and a sense of belonging that is conducive to value creation.

Actions

In its social policy, Econocom has set up company agreements with its social partners in the common interest of its employees. The Group has signed agreements on teleworking, gender equality, working hours, health and welfare costs, employee profit-sharing, and disability, etc.

All of these measures also contribute to the development of the business and its employer brand on a daily basis.

Below are the indicators for monitoring social dialogue:

Deterioration of internal relations and social climate:	2020	2021
Number of collective agreements in force - Planet France	35	36

1.2. Conduct a demanding environmental policy

Global warming is a major issue for humanity on which digital players have an increasingly significant impact and must play a role at their own level. Econocom chose to address this unprecedented environmental challenge by implementing a structured and ambitious policy. To this end, **the Econocom Group was one of the first signatories of the Planet Tech'Care manifesto.** Through this manifesto, Econocom is committed to measuring and reducing its carbon footprint, extending the lifespan of its digital products and services, and disseminating and promoting these initiatives among its partners.

In addition, in 2021 Econocom reaffirms its place as a more responsible digital entrepreneur by joining the Institut du Numérique Responsable and signing their Charter.

Risks:

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

- non-compliance with the Paris agreements/environmental regulations;

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

Policy:

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

1.2.1. MONITORING OUR CONSUMPTION

Why did you carry out a GHG assessment?

In order to reduce our GHG emissions, the key is to be able to measure them first. This is why we wanted to calculate our carbon footprint. This has enabled us to better structure our environmental policy and draw up our action plan to reduce our emissions over the long term.

Our results for 2019, 2020 and 2021 for France:

These calculations are based on the emission factor calculators under the Carbon Audit methodology of the ADEME (French Environment and Energy Management Agency).

GHG emissions (in tonnes)						
Audit in 2021 Econocom France with satellites						Change
SCOPE	Category of emission	Source of emission	CO ₂ audit for 2019 (in tonnes)	CO ₂ audit for 2020 (in tonnes)	CO ₂ audit for 2021 (in tonnes)	2019-2021 change
SCOPE 1 (Regulatory)	Direct fugitive emissions	Refrigerant fluids leaks from cooling and air-conditioning systems	163	52	59	-63%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion	Natural gas	114	68	45	-60%
SCOPE 2 (Regulatory)	Indirect electricity consumption-related emissions	Electricity	350	353	221	-36%
SCOPE 3 (Non-mandatory)	Travel	Travel	715	176	120	-83%
SCOPE 3 (Non-mandatory)	Vehicle fleet	Transport and internal shuttle	5,675	2,950	2,845	-50%
SCOPE 3 (Non-mandatory)	Freight	Freight	416	338	310	-26%
Total			7,433	3,938	3,602	-51%
TOTAL/FTE			1.05	0.66	0.7	-33%

Our results for 2019, 2020 and 2021 for the Group (France and International)

GHG emissions (in tonnes)						
Audit in 2021 Econocom						Change
SCOPE	Category of emission	Source of emission	CO ₂ audit for 2019 (in tonnes)	CO ₂ audit for 2020 (in tonnes)	CO ₂ audit for 2021 (in tonnes)	2019-2021 change
SCOPE 1 (Regulatory)	Direct fugitive emissions	Refrigerant fluids leaks from cooling and air-conditioning systems	238	79	98	-58.82%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion	Natural gas	274	192	158	-42.34%
SCOPE 2 (Regulatory)	Indirect electricity consumption-related emissions	Electricity	1,741	1,395	1,491	-14.36%
SCOPE 3 (Non-mandatory)	Travel	Travel	1,345	368	361	-73.19%
SCOPE 3 (Non-mandatory)	Vehicle fleet	Vehicle fleet	9,206	5,339	5,487	-42.57%
SCOPE 3 (Non-mandatory)	Freight	Transport and internal shuttle	529	443	444	-16.07%
Total			13,333	7,816	8,039	-39.71%
TOTAL/FTE			1.29	0.85	0.98	-24.03%

Update on Econocom's carbon footprint

Econocom's carbon footprint takes into account not only direct and energy-related emissions (Scope 1 & 2) but also indirect emissions caused by some of the service providers and some of the services used by the company (Scope 3). Between 2019 and 2021, the total consumption of CO₂ decreased by 51% in France (including satellites, excluding Les Abeilles) and by 40% for the Group (excluding Les Abeilles).

The increase in the Group's environmental footprint between 2020 and 2021 is mainly due to a lower impact of Covid effects (more travel, more employees on sites, etc.). However, the decrease between 2019, the pre-Covid reference year, and 2021 remains significant, as already mentioned above.

Why?

The Ministry for the Ecological Transition estimates that greenhouse gas emissions in France fell by 10 to 12% in 2020. A record figure, mainly linked to the consequences of the pandemic. The two lockdowns as well as the various curfews greatly reduced the ecological impact of transport and industry, two highly polluting sectors and practically stopped during lockdowns.

Positive effects on the environment for the Econocom Group

The lockdowns in France led to a sharp drop in CO₂ emissions by limiting the road and air travel of the French.

Econocom also recorded a very sharp decrease in two sources of emissions linked to the consequences of Covid, with a sharp decrease in car, train and plane travel of more than 70% between 2019 and 2021.

Energy consumption (electricity + gas) also fell sharply due to the vast amount of remote work performed during the Covid crisis, thereby resulting in a fewer employees working at our sites. Between 2019 and 2021, we sold around ten sites across France.

Econocom wants to reduce its emissions

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

Econocom has been measuring its carbon footprint on Scope 1, 2 and 3 partially for a few years, but we wanted to go the extra mile by working on the subject with a specialist who helps us to standardise the processes, to work in a more methodical way, to extend our measurement scopes to all satellites and obtain a more detailed analysis of the various scopes and in particular for Scope 3.

We wanted to involve most of our satellite entities in this approach, in addition to Econocom Planet. We therefore began to assess the scope and we will expand to Group level in 2022.

It is in this context that we have selected the society Greenly that specialises in carrying out carbon assessments.

Negative impacts of activities on the environment:	2020	2021
Carbon footprint (Group)	7,816 CO ₂ t	8,041 CO ₂ t

1.2.2. RETHINKING TRAVEL TO REDUCE EMISSIONS

Econocom has also incorporated electric vehicles into its fleet. Indeed, the Econocom Group is committed to renewing 100% of its personal vehicle fleet between 2022 and 2023, which represents 25% of its electric fleet.

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

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

1.2.3. ANALYSE AND REDUCE THE ENVIRONMENTAL IMPACT OF DIGITAL TECHNOLOGY

Risks

CO₂ emissions related to digital technology and the impacts of digital activities on climate change can undermine growth in the digital sector.

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

Policy

In 2021, the Econocom Group confirmed its maturity regarding its ability to reduce the environmental impact of its information systems. Given the opportunities offered by digital technologies, but also the risks they generate, it is indeed necessary to develop a digital technology focusing on the right priorities.

To this end, the Econocom Group has now adopted a genuine Green IT governance system to limit its risks and develop opportunities.

In 2021, Econocom Group continued its commitments regarding issues related to the environmental impact of its information systems. Today, the Group has a specific Green IT governance.

Measurement and reduction, essential steps to reduce the impact

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

phases, to have a complete analysis of the life cycle of digital equipment.

In order to reduce the bill and optimize its energy efficiency, the Group has undertaken several reduction actions that have enabled it to significantly reduce energy consumption in digital technology. Thanks to this system, Econocom reduced the overall environmental energy footprint of its digital technology by 68% between 2017 and 2021, also due to the disposal of certain activities. However, the decrease per employee also remains very significant, amounting to 57% over the same period.

The study carried out for 2021 is based on two main chapters: measurement of the historical phase of use (energy) to assess the application of the latest recommendations and their effects, a more complete analysis of the manufacturing and end-of-cycle phases and initial comparisons. with the previous year.

The major trends emerging for 2021 confirm that Econocom has continued its optimisation policy, thanks to the implementation of the recommendations of the previous financial year and the best Green IT practices. In this financial year, digital energy consumption fell for the fourth consecutive year, with a decrease of more than 30% compared to 2020, partly due to a disposal of activity.

This also resulted in **a significant reduction in CO₂ emissions** (approximately 90 CO₂t saved this year).

These positive results are mainly due to the following actions in 2021:

- rationalisation of servers (-22%), appliances (-50%) and a lower energy consumption in data centres (exit from a data centre as part of a business divestment);
- rationalisation of most of the equipment compared to 2020 (laptops, monitors, etc.);

- improvement of the energy classification of equipment such as laptops (96% in class B);
- reuse of existing equipment rather than new purchases.

1.2.4. WASTE PROCESSING AND RECYCLING WITH SOCIALLY SUPPORTIVE STRUCTURES

In order to process and recycle 410,000 pieces of WEEE every year (computers, screens, servers, tablets, smartphones etc.), Econocom uses Ateliers sans Frontières (ASF) and two specialist companies, ATF Gaia and Recyclea, which combine operations in circular and supportive economies.

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

A ten-year partnership with Ateliers Sans Frontières (ASF)

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

Ateliers Sans Frontières (ASF) is an integration project, which welcomes over 110 young and vulnerable young people a year, to help them build their life project, regain their dignity and bring them to a stable personal and professional situation. Econocom and ASF currently process 60,000 devices per year with a team of 15 people. Since 2011, more than 100 people have been trained and found external employment thanks to ASF and Econocom, and 28 jobs at ASF have been created thanks to Econocom's activity. The impact is therefore real and measurable.

A leading role in the refurbishment market

This effective collaboration with ASF, and also with ATF Gaia and Recyclea, enables Econocom to play a leading role on the reconditioned digital equipment market.

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

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

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

Our actions

This year, at Econocom, the Group's CSR/Communication and CIO departments launched the Cyber Cleanup Week challenge during Sustainable Development Month. A great opportunity to reduce the environmental impact of the Group's mailboxes, with the objective of reducing their environmental footprint by 5%, i.e. the deletion of 10 million emails (equivalent to 110 tonnes of CO₂).

In two weeks, we ultimately managed to delete five million emails, equivalent to 55 tonnes of CO₂ or 55 Paris-NYC return trips.

In addition, in order to combat biodiversity risks, the Group contributes to the preservation of species and living environments by carrying out carbon offsetting initiatives. Indeed, during its Cyber Cleanup Week, the Group decided to offset the carbon impact equivalent to five million emails by financing a reforestation project.

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

During this month, we also gave our employees the possibility to contribute to a collection of old IT equipment, to refurbish said equipment and donate it to associations.

We also offered introductory training on CSR, digital sobriety and the circular economy to all our employees.



Environmental impact of digital technology (Green IT):	2020	2021
Energy footprint of digital technology	5,387,854 kwh	3,269,996 kwh

1.2.6 GREEN TAXONOMY

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

1. Context

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

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

The companies concerned must disclose three “green” activity ratios in their non-financial performance statements:

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

For the first year of application for the financial year ended at 31 December 2021, simplified provisions have been set out.

Companies must disclose these three ratios relating to the so-called “eligible” economic activities, i.e. classified in the European taxonomy, and contributing to the first two climate objectives only.

2. Calculation scope and methodology

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

- the scope considered covers all the Group’s activities corresponding to the scope of consolidated companies. Companies in which the Group exercises joint-control or influence are excluded;
- the financial data are taken from the financial statements at 31 December 2021. Revenue and capital expenditure can therefore be reconciled with the financial statements. The underlying financial information was checked jointly by the finance and operational teams to ensure consistency and reconciliation with the consolidated financial statements;
- capital expenditure corresponds to the costs capitalised for tangible and intangible assets;
- operating expenses are defined as direct costs that cannot be capitalised and include research and development costs, building renovation costs, maintenance and repair costs, leases recognised in the income statement and any other expense related to the day-to-day maintenance of assets.

3. Details on eligible activities

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

Eligible revenue	Eligible CapEx	Eligible OpEx
1%	Between 60% and 65%	Not significant

a. Revenue

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

expenditure associated with an eligible activity and individual capital expenditure that are not associated with an activity intended to be marketed.

b. Capital expenditure (CapEx) and operating expenditure (OpEx)

Pursuant to Appendix 1 of Article 8 of the delegated regulation, Econocom defers capital expenditure and operating

Capital expenditure and operating expenditure mainly relate to individual expenses related to the management of the energy performance of buildings and vehicle fleet.

1.3. Be an ethical and responsible player

Risks

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

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

Policy

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

that it complies with the laws and regulations to which it is subject.

1.3.1. THE ETHICS COMMITTEE

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

1.3.2. THE CODE OF BUSINESS CONDUCT AND ETHICAL POLICIES

Econocom wished to federate all Group employees around a Code of Business Conduct, dealing, among other things, with the fight against corruption and influence peddling. This Code of conduct, set up in consultation with the trade union

representatives, is based on the corruption risk mapping carried out by Econocom.

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

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

1.3.3. THE ETHICS WHISTLEBLOWING SYSTEM

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

This whistleblowing system is available to anyone working within the Econocom Group (executives, employees, temporary

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

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

1.3.4. TRAINING

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

The indicators for monitoring the ethics policy are shown below:

Acting in an ethical manner:	2020	2021
Number of ethics alerts	2	13
% of employees who have completed ethics training	/	52.70%

1.3.5. RESPECT FOR HUMAN RIGHTS

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

For these reasons, the Group's human rights risks for the most part involve its suppliers and sub-contractors. In keeping with its purchasing practices, Econocom asks its tier-1 suppliers to comply with its own ethical and labour standards.

1.3.6. RESPONSIBLE PURCHASING

Risks

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

Policy

The Purchasing Department has a key role in Econocom's CSR policy, since suppliers are an essential stakeholder in the value chain of the Econocom Group.

Econocom Group decided to structure its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR programme. Lasting cooperation between the Econocom Group and its suppliers contributes to driving performance for all parties.

The Econocom Group's Purchasing Department prioritises responsible purchasing

In 2015, Econocom Group decided to structure its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR programme.

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 between its suppliers and Econocom based on the ten principles of the United Nations Global Compact. This, together with the Econocom Group's Code of Business Conduct are sent to critical and strategic suppliers, who are required to return them signed, thereby confirming their adherence to and compliance with said codes.

In addition, the Econocom Group's Purchasing Department reinforced this approach by sending a CSR self-assessment questionnaire with the aim of quantifying the results of its partners from a social and environmental perspective.

With regard to interim and intellectual services, the Econocom Group's Purchasing Department relies, on the one hand, on the network of specialist companies (Esat; Gesat) and, on the other hand, on the various structures enabling inclusion through economic activity (<https://www.gouvernement.fr/les-actions-du-gouvernement/economie-emploi/retrouver-un-emploi-grace-aux-parcours-d-insertion>)

Below are the indicators for monitoring the responsible purchasing policy:

Responsible purchasing	2020	2021
Percentage of suppliers who signed the Responsible Purchasing Charter/ Code of Conduct among the top 20 suppliers	100% (EIS scope)	100% (EIS scope)

1.3.7. GENERAL DATA PROTECTION REGULATION (GDPR)

Risks

It is established that data protection is a specific protection for privacy and personal data protection, including sensitive personal information. Non-compliance with this principle may result in the competent supervisory authority (CNIL in France) inflicting:

- a public notice related to the offense committed;
- an administrative fine (legal entity) of up to (Article 83 of the GDPR), up to a maximum of 4% of the global revenue reported the previous year, per violation;
- a ban on the processing of personal data.

Policy

The Econocom Group is committed to protecting the privacy and data of its employees, customers and partners and therefore ensures compliance with the applicable law on personal data protection.

A DPO is appointed for the Group and relies on a network of Data Protection Officers appointed by the Group's legal entities.

In recent years, Econocom has implemented the following measures:

- appointment of a DPO (Data Protection Officer) at the Group level;

- updating of the records of processing activities as Data Controller for each legal entity of the Group;
- updating the records of processing activities as a subcontractor for each of our customers;
- drawing up of an internal Charter serving as a framework for the processing of data by Group entities;
- informing co-workers of how their data is used and raising their awareness about data protection regulation;
- revision of the intra-Group Data Processing Agreement;
- implementation of a GDPR/security questionnaire for our subcontractors;
- updating the IT Charter in line with regulations;
- strengthening of security measures at the Group IT level;
- in the process of being brought into line with PSD2 and its impact on personal data protection.

These measures are consistent with the steps to make Econocom Group comply with applicable regulation, and they show the daily commitment both by the Group and by each Econocom Group entity to a responsible use of personal data.

03 corporate social responsibility

nurture our excellence through responsible commitment

The indicators for monitoring the GDPR policy are shown below:

Data protection:	2020	2021
% of employees having completed GDPR training	18% (France scope)	75% (France scope)

1.3.8. CYBERSECURITY

Risks

- through phishing attempts or by looking for vulnerabilities, hackers try to break into IT systems to steal data;
- the main risk is that services and tools may be unavailable for a certain time;
- have a deteriorated image with customers.

Policy

Protecting the IT against any risk of damage to infrastructure availability, data confidentiality and integrity and access traceability is a major issue for Econocom

because the risks identified can have significant impacts, in particular issues relating to financials, image, quality of service or regulatory framework.

Actions

- raising employee awareness on cybersecurity risks;
- cybersecurity training;
- strengthening of cybersecurity projects;
- answering customer audits.

2. Support the new responsible uses of our customers and users

Since 1973, we have been committed to creating digital tools and services for our customers with responsible purposes and uses.

We believe that it is essential to support the actions of companies to take into account the limited resources of our planet, while ensuring value creation for all.

We work alongside our customers by providing them effective solutions to address the common challenge of reducing the environmental impact of business operations.

2.1 Develop our offer of green and responsible products and services

Risks

Among the expectations of customers, there is responsible digital technology with these three aspects: low impact on the environment, social inclusion (fight against the digital divide) and trust (GDPR, cybersecurity). In such an approach, a company that does not take into account the impacts of its services and products risks missing the turn taken by the market around demand on impact.

Policy

Econocom aims to facilitate the ecological and digital transformations to support its stakeholders in creating a positive impact. Attentive to the needs of its customers, who, in the same way as Econocom, are also keen to see their environmental impact reduced, the Group has worked to develop its responsible digital policy and offers.

Econocom wishes to natively boost the responsible component in 100% of its new offers as well as in its existing offers. The idea is to create new generation support offers fulfilling new uses (autonomy, user experience, etc.) and the need for cost control requested by the DSI. Econocom is therefore trying to provide its clients with solutions for transforming the work environment (physical and digital) and associated infrastructure to increase user satisfaction and productivity while reconciling the responsible dimension in its portfolio of offers.

The objectives of companies and local authorities in the energy transition are the same: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gases, find new overall solutions to control energy and contribute to the production of renewable energies. Because if achieving targets it critical over the long term, the short term priority is to save money.

2.1.1. 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".

03 corporate social responsibility

support the new responsible uses of our customers and users

But how can we reconcile sustainability and competitiveness?

Energy transition law, tertiary decree, F-Gas regulations, RE2020, industry decarbonisation plan, energy savings certificates, etc. A suite of systems aimed at encouraging energy performance the understanding of which is key.

The structural increase in energy prices has an impact on the competitiveness of organisations. To control its purchasing costs over the long term, the Company must implement energy efficiency initiatives and shift towards renewable energies.

Through its Green & Energy Department, Econocom meets these challenges by providing a global solution ranging from seeking out sources of energy savings to the execution of projects and their funding.

What we do

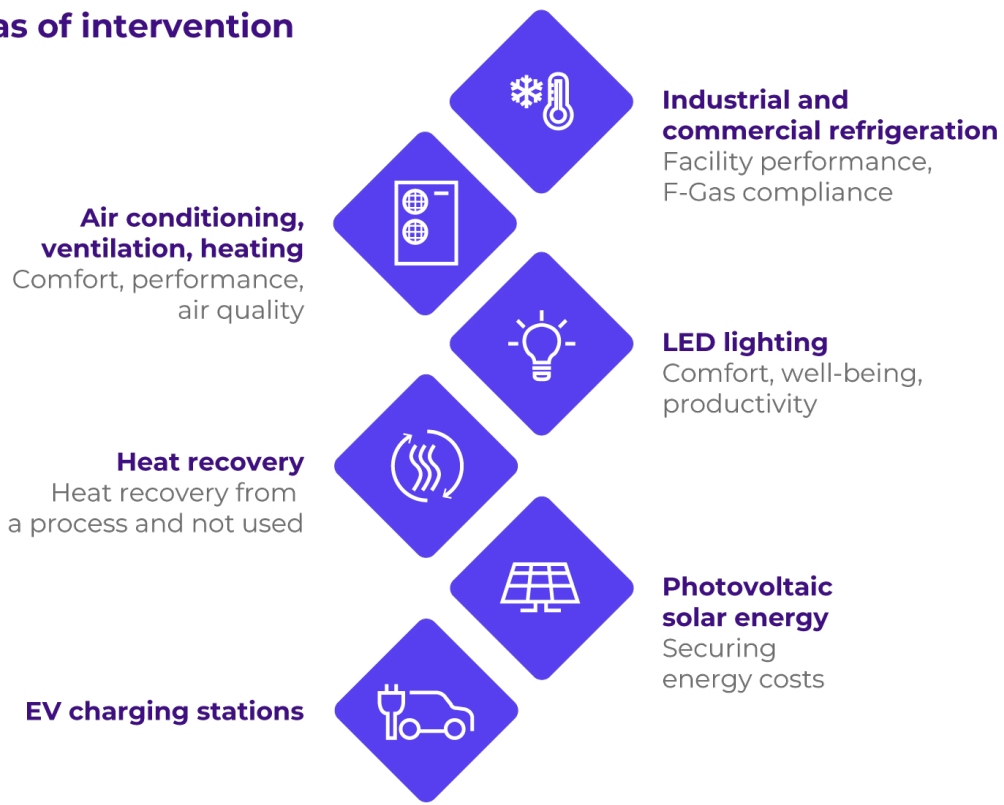
- **design:** identifying sources of energy savings, independently prescribing

high-performance, eco-designed and less energy-consuming equipment, calculating returns on investment;

- **implement:** managing orders, organising logistics flows, monitoring the execution of works until the commissioning of the facilities and all reservations have been lifted, our project management assistance supports our customers throughout the life of the projects;
- **finance:** because financing is the cornerstone of any energy performance project, we provide an appropriate financial response which includes all the aids and subsidies to which customers are eligible, in order to accelerate the energy transition with no cash out;
- **manage performance:** collecting and compiling all energy and economic data using our digital platform.

Our Energy managers return the data in meaningful and efficient manner to help our customers make the best decisions.

Our areas of intervention



2.1.2. ECOBUILDING: THE ENERGY MANAGEMENT PLATFORM FOR REAL ESTATE PORTFOLIOS

The EcoBuilding offer is an energy management service that uses data intelligence to accelerate the transition. The management of energy expenditure data is made possible through a dedicated platform:

- collection of energy data and influencing factors;
- generation of an energy mapping for a real estate portfolio;
- identification of anomalies and potential savings;

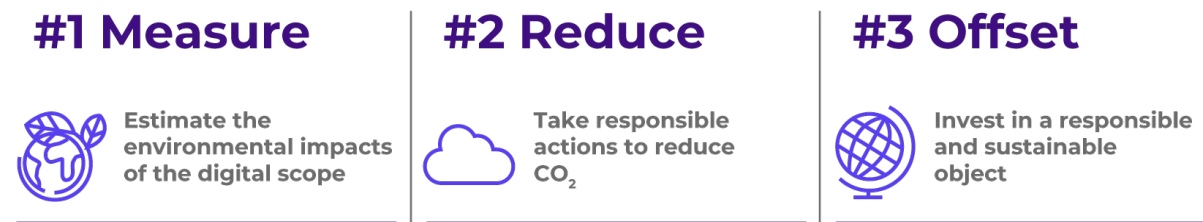
- feedback on the outcome of actions and energy efficiency.

2.1.3. ECOCARBON

For the sake of continuous innovation, Econocom launched its EcoCarbon offer in 2021, which complements the existing offer for measuring the environmental footprint. A solution designed to help IT and CSR departments understand and manage their digital environmental footprint.

It thus makes it possible to assess the share of digital technology in the overall carbon footprint of their activity and the actions to implement to address its impact.

The EcoCarbon offer is built on three complementary blocks:



Measuring

This first key step enables to assess the environmental footprint of the digital scope under review and is based on three actions:

- the calculation of the energy (use) and environmental (manufacturing, transport and end-of-cycle) impacts of digital equipment and infrastructure;
- the analysis of the results generated according to different views (equipment, impact, etc.);
- the review of additional digital scopes (cloud, applications, etc.) with selected expert partners from our ecosystem.

Reducing

Based on the data under review and additional information collected on the organisation, Econocom will be able to submit responsible actions to encourage its customers to reduce their CO₂. These actions will be broken down into: recommendations for improvement, potential savings forecasts, best practices, performance indicators for monitoring changes and comparisons with previous years.

The implementation of these actions aims to address the energy consumption of equipment and reduce the impact of the environmental footprint of digital technology.

03 corporate social responsibility




support the new responsible uses of our customers and users

These recommendations will influence: the purchasing and replacement policy for equipment, the optimisation of infrastructures, time in use, user usages and behaviour.

Offsetting

With the implementation of all reduction actions, the use of IT equipment will never

be neutral in terms of environmental impact. This is why Econocom offers its customers through EcoCarbon to offset the remainder of this environmental footprint by investing in sustainable and responsible projects selected by our partner, a recognised international player in this sector. In return, a certificate is issued, attesting of the carbon tonnes offset.

 <p>Renewable energies</p>	 <p>Biodiversity</p>	 <p>Societal</p>
<p>Solar energy</p> <p>Description: promote a local approach to electricity production thanks to the ten hours of daily sunlight Location: Outapi, Namibia Standard : VCS</p>	<p>Drinking water</p> <p>Description: water supply through chemical water purification using chlorine Location: India Standard : VCS</p>	<p>Clean energy</p> <p>Description: stoves for health and forests Location: Nyungwe, Rwanda Standard : GS</p>

Econocom provides its customers with the following types of “certified” projects: renewable energies, biodiversity and societal. The list of projects is evolving and is updated regularly. Some examples of projects currently selected, on which it is possible to offset all or part of the environmental footprint:

Carbon standards are quality labels that certify carbon credits from offset projects that meet specific environmental and/or social criteria. Each standard sets its own requirements and the criteria guaranteed are very diverse. The standards with the most important requirements are: Gold Standard (GS) and Voluntary Carbon Standard (VCS).

The indicators for monitoring the responsible digital policy are shown below:

Responsible digital services and customer offer:	2020	2021
Number of commercial offers related to responsible digital services, green IT and the circular economy	6	9

2.2 Promote responsible digital business and the circular economy

Risk

Regulatory changes directly impact the markets in which they apply. For the EPS entity (Products & Solutions), whose business model is partly based on the sale of new products, regulations on IT equipment, as part of the circular economy, a review of certain offers is necessary in order to adapt to market demands. Similarly, for leasing or service activities, regulations could oblige them to further adapt their offers.

Policy

Econocom wants to offer effective and responsible solutions to generate positive impact for its customers and their users,

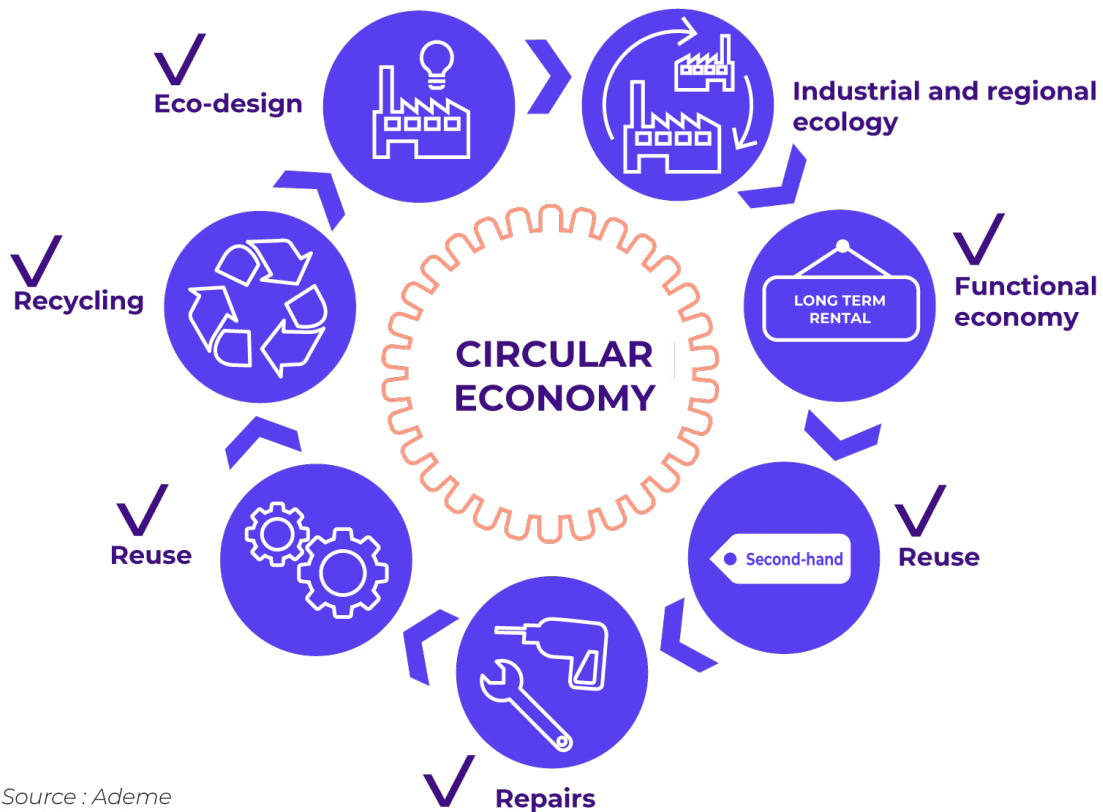
without promoting digital for digital at any cost.

The circular economy applied to digital products and services takes on its full meaning to provide concrete solutions.

Our mission is to support customers seeking to reduce the environmental impact of their IT and digital systems. We can achieve this thanks to dedicated offers based on several levers:

- supporting responsible consumption;
- extending the periods of use;
- managing the end-of-life of equipment.

On the ADEME circular economy wheel, we work on six of the seven pillars.



Source : Ademe

2.2.1. AN ECO-DESIGN AND FINOPS OFFER

A FinOps offer for optimised infrastructure management in the cloud: the FinOps approach aims to monitor and optimise the costs of cloud computing services and the opportunity to offset their carbon footprint.

The main challenge is to find the right balance between budget and expenses allocated to cloud services on one hand and, on the other hand, the required IT performance and innovation in terms of business and environmental issues. The objective is not only to generate savings, but strive to find the right architecture.

Ultimately, implementing a FinOps approach enables to save money and manage the environmental footprint.

2.2.2. FUNCTIONAL ECONOMY

The “Practical Guide to Responsible Digital Purchasing” published in April 2021 by the Interministerial Mission for the reduction of environmental impacts from digital technology showcases leasing as a responsible alternative to purchasing new equipment:

“Leasing is an alternative to buying digital equipment. This practice allows the organisation to adjust its asset base to the needs of each user and to deal with emergencies or specific needs. This approach is one of the main pillars of the circular economy: the “functional economy, i.e. buying the use rather than the good.”

“Leasing may also be of interest from an accounting, tax and financial perspective, depending on the case and the situation of the buyer:

- no non-current assets;
- no VAT payable on the price of the equipment;

- lease payments are not included in the balance sheet (operating expenses);
- financial incentive to keep only the necessary equipment (more rigorous management of asset base inventories);
- management of the end-of-life of equipment borne by the lessor.”

For over 45 years, Econocom has been supporting companies in their industrial changes, in particular by financing digital and technological solutions and assets. Thanks to its technological expertise, Econocom provides companies and organisations with bespoke digital solutions, with contemporary consumer finance. By virtue of its “as a service” business positioning, Econocom participates and acts specifically to meet challenges of the circular economy. At present, 32 to 47%⁽¹⁾ of companies have already adopted the circular approach to the purchase, design, production and recycling of products. However, only 12%⁽²⁾ of them adopt a business model which also offers products as a service. This low proportion of businesses that have succeeded in offering the “as a service” model is a seam of unexploited opportunities.

Specifically, Econocom has essential expertise in the financing of digital projects and technological assets via “as a service” financing solutions. Taking this concept further, the Group has specific technological offerings to enable companies to manage their digital projects in real time and closely adjusted to usages. The Group is committed to actively contributing to this change of model.

This ambition to be firmly rooted in the circular economy is reflected in the Group's countries. In this respect, Econocom Belux is a signatory of the “Green Deal”, a government initiative which aims to accelerate the switch to a circular economy. Alongside 229 other Belgian companies, for three years now Econocom Belux has been making its active contribution to circular solution projects in the country.

(1) World Business Council for Sustainable Development and Boston Consulting Group model, see docs.wbcsd.org/2018/01/The_new_big_circle.pdf

(2) World Business Council for Sustainable Development and Boston Consulting Group model, see docs.wbcsd.org/2018/01/The_new_big_circle.pdf

2.2.3. PROMOTING THE REUSE OF DIGITAL EQUIPMENT

Extending the life of IT equipment is a major lever for reducing their environmental impact. As mentioned in chapters 1.2.4 and 1.2.5 Econocom refurbishes nearly 410,000 pieces of equipment per year. Econocom is committed to developing an increasing number of offers for its customers to encourage second hand use. Econocom has thus developed a simple and effective solution, Ecotwice, which, in 2021, gave a second life to more than 30,000 pieces of equipment for end-users.

EcoTwice is a platform that allows employees to buy the equipment (in its current state of use) they use for work (smartphone, tablet or laptop). This enables to give equipment a second and helps our customers to retain their employees. This offer not only helps to extend the life of equipment, but also to fight against the digital divide, by offering the possibility of acquiring laptops or smartphones at very attractive prices for personal use.

In October 2021, Ecotwice won the “Second Life” award at the second edition of the “Cas d’Or du Digital Responsable”.



Again with the aim of encouraging second hand use we also offer our customers an alternative to new IT equipment by leasing or purchasing refurbished equipment. The

EcoLease offer thus enables customers to acquire refurbished PCs or smartphones.

2.2.4. REPAIR TO EXTEND THE LIFE OF MOBILE DEVICES

In September 2021, Econocom inaugurated a new site for its Product Care centre of more than 1,200 sqm, entirely dedicated to the eco-responsible management of mobile devices: telephones, tablets and laptops. With more than one million terminals under management in maintenance services, Product Care maintains and repairs nearly 20,000 terminals per year using a responsible approach.

In line with Econocom’s commitment to be responsible digital entrepreneur, Product Care delays the obsolescence of devices that are better maintained, regularly updated and repaired.

With more than 40 employees, the Product Care team is a multidisciplinary team that manages the administrative, logistical and technical aspects of the terminals with:

- repair workshops;
- a Helpdesk division;
- a logistics and project team.



03 corporate social responsibility

federate an ecosystem to create shared value

Adapting to the needs of companies, administrations and their employees, Product Care has several tailor-made schemes including the extension of the hardware manufacturer warranty, breakdown management, collection of

devices (including at home) and their temporary replacement by a convenience terminal, their repair (with or without a binding leadtime) and the management of claims (without deductible).

The indicators for monitoring the Circular economy policy are shown below:

Negative impacts of digital technology on the environment:	2020	2021
Recycling rate achieved with companies in the social economy (ESS)	88% (France scope)	88% (France scope)

3. Federate an ecosystem to create shared value

The Econocom Group believes in the positive impact of digital technology on training and education. With these convictions, the Group has made education one of the key pillars of its CSR strategy, as much through its partnerships and philanthropic actions. In 2020 and 2021, while the health crisis demonstrated the urgency of combating the digital divide, the Group made a commitment to families and children, by donating equipment or by providing financial support to its partner associations.

Risk

Econocom must manage its economic, social and environmental impact in order to make a positive contribution to the regions surrounding our sites and contribute to the sustainable development of communities. One of the risks identified for the Econocom Group is a decrease in attractiveness. Public sector customers (regions, departments, cities) have a strong demand for the integration of local companies in their calls for tenders. In addition, due to the business segment in which we operate, under representation in the area of the digital divide would not create trust and visibility in our ecosystem.

Policy

Econocom has a regional responsibility and intends to take on the role of a deeply rooted value-creating player in the region, in order to generate a positive impact on its entire ecosystem. To this end, regional presence and the fight against the digital divide are key priorities of the Group's CSR policy. The Group aims to build long-lasting relationships with the economic, social and associative fabric close to the sites where the Group conducts its activities.

Each site and each subsidiary is therefore encouraged to get positively involved with their direct ecosystems in order to put down firm local roots and develop useful digital services.

3.1 Partnerships in the education and university sector

3.1.1. SUPPORT NEW USES LINKED TO USEFUL DIGITAL BUSINESS IN THE EDUCATION SECTOR, AND GREEN IT

Econocom is committed to promoting digital technology in school curricula in order to fight the digital divide and improve digital accessibility.

The French government has decided to encourage the use of digital technology in schools to make up for France's lag in the area. Econocom wants to take action in this movement by providing schools with solutions adapted to the needs of students, teachers, parents and public authorities.

Econocom's goal through its commitment to education is to play a role in the transformation of learning, to ingrain a love of learning in students. The aim is also to encourage new teaching practices and to promote parental involvement in the education of children.

Econocom's investments in education were extended through several activities:

- **the development of a "Campus" offer**, which includes, in particular, the "Green" offers of the Econocom Group, well adapted especially to a number of renovation and new campus opening projects, in France and abroad.
- **Econocom established a partnership with "Campus Managers"**. Campus Managers is the first French network of French universities and colleges committed to sustainable development.
- **Educapital**: finally, always with the aim of supporting young innovative companies that aspire to reinvent education, Econocom was the first player to invest in Educapital, the leading European venture capital fund dedicated to education and vocational training. Since its creation, Educapital has invested in twenty or so innovative European Edtechs.
- **Econocom member of Impact AI**: Econocom is a member of Impact Artificial Intelligence. Impact AI is a collective focused on reflection and actions with players involved in the area of artificial intelligence aimed at supporting innovative and positive

projects for the world of tomorrow, particularly in education.

3.1.2. INVESTMENT IN EDUCATIONAL START-UPS

Magic Makers, a start-up specialising in developing and leading coding and creative programming workshops for children

Econocom acquired a stake in the share capital of Magic Makers which has developed its own method, to allow children starting at age 6 to learn coding concepts with trained facilitators and innovative tools. Today, more than 1,000 eager children attend Magic Makers coding classes and/or holiday workshops. Children of Econocom employees are offered discounts for Magic Makers courses through the Group's Share engagement programme.

Kartable, the first full, free learning and study platform

This start-up opened a platform allowing users to consult programmes, courses and exercises spanning all years of secondary school or benefit from online tutoring free of charge. Econocom employees can also benefit from preferential conditions for their children.

3.1.3. SPONSORSHIP PROGRAMMES IN EDUCATION

A solid partnership with Passerelles Numériques

Econocom has been a partner to Passerelles Numériques since 2007. This organisation helps young people from underprivileged backgrounds in Cambodia, Vietnam and the Philippines to receive training and find skilled employment in the ICT sector. The partnership established with Passerelles Numériques also works in skills sponsorship.

Econocom and Passerelles Numériques: summary

Since 2014, the highlights of our commitment to Passerelles Numériques include:

- 445 Cambodian students supported;
- 117 weeks skills-based volunteer work delivered free of charge. 52 missions carried out by 49 employees;
- 244 laptops donated.

A three-year commitment with Emmaüs Connect in partnership with Schneider Electric

In June 2021, Econocom and Schneider Electric and Emmaüs Connect, a key player in the fight against the digital exclusion of the most vulnerable, announced the signing of a partnership to combat digital exclusion. Over the next three years, Schneider Electric and Econocom committed to donating 300 refurbished computers each year to Emmaüs Connect.

Econocom, partner to Double Horizon

Since 2013, Econocom has been a partner of the Double Horizon association which supports the education of under-privileged people in France and abroad.

Econocom decided to support the French activities of the association. Double Horizon works in schools which are part of the priority education network. A survey carried out a few years ago showed that the majority of children from these schools had never visited Paris, its sites or museums, even by the end of secondary school.

During the Covid-19 crisis, Econocom continued to support the “Double Horizon” association by providing additional equipment and financial support. This has made it possible to combat the school-family digital divide.

Espérances Banlieues

In September 2019, Econocom formed a partnership with Espérance Banlieues. The Group committed itself to supporting the actions of this organisation which creates non-denominational schools in difficult districts.

There are now 17 schools across France, welcoming about 900 pupils. Econocom’s support is mainly based on encouraging students’ access to and training in digital technologies, notably through the joint action of Magic Makers - a coding training programme for students from fifth to ninth grade. By financing the training of teachers in the network to this method, we have enabled 80 students to benefit from this training during the school year in 2021.

In 2021 we also donated 70 refurbished computers and presented our business lines as well as those of digital technology in schools.

“100 000 entrepreneurs” association

To build bridges between schools and businesses, and to pass on the entrepreneurial drive to young people, Econocom supports the action of the organisation “100 000 Entrepreneurs”.

“100 000 entrepreneurs” is a public-interest organisation that arranges for entrepreneur volunteers to speak at establishments, from secondary schools to university-level institutions.

Over the past school year, more than 45,000 young people have met these women and men who do business in many ways!

During the health crisis, Econocom provided financial support to the “100 000 entrepreneurs” association.

“Positive Planet” association

Positive Planet promotes the positive economy by combating poverty and all forms of exclusion by using positive entrepreneurship as a means of

emancipation and sustainable social, professional and economic inclusion. Since its creation, it has supported more than 1,000 projects and two million beneficiaries. Present in 16 countries, it has 40 branches in France.

In 2021, the Econocom Group provided financial support for the association and made a donation of refurbished laptops.

The indicators for monitoring the regional support policy are shown below:

Insufficient or inadequate awareness raising and education on digital technology:	2020	2021
Number of refurbished laptop donations	1,232	520

3.2. Become the partner of choice for innovative companies and integrate them into our offers

Supporting and growing start-ups is one of the major lines of the Econocom CSR policy. It is also one of the ways of embodying and expressing the three Group values: audacity, responsiveness and good faith.

The start up spirit at the heart of Econocom’s organisation, with its “Satellite” SMEs

Econocom Group has put in place an original integration and governance model for some of these new acquisitions (called “Satellites”) so as to preserve their agility, boost their performance and competitiveness and generate synergies at Group level. The founding shareholders of these Satellites have retained a non-controlling interest in the share capital and have a very broad level of managerial autonomy.

At the end of 2020, Econocom acquired a prestigious company named “Les Abeilles”

Founded in Le Havre in 1864, **Les Abeilles** is a French ship-owner specialised in towing in the high seas. For over 40 years, it has been ensuring the protection of 3,120 km of French coasts thanks to four emergency

response, assistance and rescue tugs and three chartered rescue and assistance vessels for the French Navy and the French Maritime Prefectures. Drawing on the know-how of 140 employees, it ensures high sea towing, assistance and rescue missions for vessels in distress, oil pollution control, as well as assistance and rescue advisory missions for the French Navy. Les Abeilles thus contribute to the protection of biodiversity by playing a role in the fight against oil pollution through its seabed decontamination missions.

The Prix des Technologies Numériques

For the past five years, Econocom has partnered with Prix des Technologies Numériques, a digital technology organisation, driven by Télécom Paristech, made up of more than 300 leaders and decision-makers. The 2021 edition focused on Industry 4.0 and places under the spotlight entrepreneurs who have dedicated their talent and creativity to inventing new impactful solutions in this area.

French entrepreneurship with Partech

Since joining the seed fund “Partech Entrepreneur” in October 2013, Econocom has been joining forces with the fund to support the development of digital entrepreneurship in France. Open innovation has become a necessary component to support traditional R&D

efforts of large companies, while start-ups need to be in contact with large companies to accelerate their business.

Paris-Saclay Fund

Econocom has also invested in the Paris-Saclay seed fund (more than 20 start-ups supported to date), to develop innovation and entrepreneurship within the IT, Internet, digital and life sciences, MedTech sectors.

3.3. Develop our local roots

Econocom intends to make a positive impact on all of its ecosystem. One of the priorities which the Group set itself is to build lasting relationships with the economic, social and community fabric close to the sites where the Group is active. Every site and subsidiary is therefore encouraged to get positively involved with its direct ecosystem in order to put down firm local roots.

[*Overview of initiatives with positive impact in our subsidiaries:*](#)

Germany

- New mobility/New collaboration for E-Bikes

Econocom Germany has entered into a cooperation agreement with one of the five best suppliers of electric bicycles in Germany. As a complete package - mein Dienstrad.de - and Econocom offer a comprehensive electric bicycle rental service, in which employees can select the bicycle of their choice.

- In 2021, it was possible to expand and intensify partnerships with lighting renovation contractors, project developers and LED lighting manufacturers, resulting in new funding requests as well as new orders and follow-up projects.
- Together with its partners, Econocom Germany implemented two Smart Lightning projects and carried out the

renovation of the lighting of production and industrial halls.

- Econocom Germany commits to monitoring energy consumption and reducing CO₂ emissions. Econocom Germany offsets residual emissions by committing to environmental projects. In 2021, Econocom Germany obtained the status of a climate-neutral company. Our goal is to achieve a climate-neutral audit every year and thus contribute to the ecosystem.

Italy

- Econocom Italy and BDF have chosen to invest in multiple projects in Italy to tackle the climate crisis, protect nature and our planet, forge ever more links between the Company and its environment. Over the past 30 years, the Italian forest cover increased by 25% due to land abandonment. In Italy, there is no need for reforestation, but for sustainable forest management and the protection of biodiversity, a highly valuable heritage of the peninsula. Econocom Italy and BDF have therefore decided to plant 400 trees with Italian social agricultural cooperatives in collaboration with ZeroCO.

Belux

- Billy Bike, a Brussels scale-up, offers an all-in solution to meet the growing need for green mobility in our cities. It innovates by offering the first shared electric bicycles as-a-service. The acquisition of the last three hundred connected e-bikes in the fleet was the successful achievement of a jointly-created project and a well-prepared co-financing with Econocom Belux.
- Econocom Belux was the logistics partner of the 31st edition of Télévie. The Télévie is a charitable event which raises funds for F.R.S.-FNRS and which has been taking place in French-speaking Belgium and Luxembourg since 1989. It is organised by RTL-TVI. It raises funds for scientific research in the fight against cancer and

leukaemia, in both children and adults. About ten employees volunteered and installed over 200 laptops, used to Code the donations.

- Econocom Belux invested in the installation of solar panels in 2011. In 2021, the solar panels covered 28.4% of the consumption of its main building in Zaventem.

UK

- With the appointment of Frances Weston, Econocom became a member of "100 Women in Finance" (a global network of financial professionals).
- Econocom UK has joined the "Legacy programme", a business travel programme in partnership with Forest Carbon which offers a range of carbon offset programmes designed specifically for business travelers.
- At the end of 2020, Econocom UK partnered with TechInclusionUK, a new organisation fighting against digital exclusion. A partnership was also signed with the Tower Hamlets Education Partnership, to recondition and distribute digital equipment, provided by Econocom, to young pupils attending primary school in Tower Hamlets. In total, around fifty iPads and laptops were donated to several schools, giving students access to the resources they need to learn despite the coronavirus health crisis.

- Econocom UK optimised the relocation of its registered office by recycling unnecessary IT equipment and office furniture. Consequently, Econocom UK has developed a strong relationship with the local charities Habitats & Heritage (caring for local landscapes, wildlife, ecosystems and heritage) and Shepherd's Star (aiming to reduce loneliness and social isolation in the local community).

Spain

- Econocom Spain took part in numerous CSR projects:
 - ▶ donations from employees and partners to help those affected by the eruption of the "Cumbre Vieja" volcano in La Palma, Spain;
 - ▶ in-house eco-responsible awareness campaign for employees under the slogan "All actions sum up";
 - ▶ a course on first aid and fire extinguishing promoted among employees of all activities for Econocom Group in Spain with the aim of ensuring the safety of all employees;
 - ▶ awareness raising of Econocom Group employees in Spain, on the deletion of emails and the replanting of trees as part of the Group Cybercleanup week campaign.
- Collaboration with Asociación Sonrisas during the Christmas period for the collection of food and toys.

Methodological note on the Non-Financial Performance Statement

The non-financial performance statement (DPEF) is drafted by the Group's CSR Department and the Finance Department, which also coordinates non-financial data reporting. Such data are provided by the departments involved (human resources, CSR, CFO, purchasing, general services, etc.), in France and in other countries. These data are entered in a reporting dashboard, which makes it easier to collect, monitor and manage performance indicators.

The reporting methodology is described in a document that is regularly updated and distributed to contributors at the start of the data collection process.

Scope of reporting

Unless otherwise specified, the scope includes all Group subsidiaries. Due to their independence, sales agents are excluded from the scope of publication. Any other exclusion to the scope is mentioned and explained in the corresponding paragraph(s). The data collection process is carried out once the calendar year is ended, from 1 January to 31 December.

Methodology used to explain our DPEF

The non-financial performance statement provides for the presentation of the most material non-financial risks and a

description of the business model, including the CSR risks and stakes deemed to be priorities. To this end, the CSR Department conducted a wide-ranging consultation among its internal stakeholders in 2021 to identify non-financial risks and associated key issues. These risks and key stakes were presented and approved by the CSR Department, before serving as a basis for discussion with all the Departments involved, in order to identify the most relevant indicators to report on the Group's non-financial performance.

Pursuant to the consultations carried out by Econocom after the discussion with its stakeholders, certain information required as part of the DPEF was deemed not to be significant.

Due to the Group's activity, certain topics relating to the Decree of 24 April 2012 and Article 4 of the Law of 11 February 2016 on the fight against climate change were not considered relevant, in particular societal commitments to promote:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food.

Key performance indicators

The following tables show Econocom's key corporate social responsibility performance indicators in 2021.

Area	Stake	INDICATOR	UNIT	Econocom Group		Planet France	
				2020	2021	2020	2021
Nurture our excellence through responsible commitment	Position ourself as a committed employer	Workforce	Qty	9,121	8,197	4,811	4,405
		Annual hires	Qty	1,778	1,481	909	768
		Work-study or apprenticeship employees	%	N/A	1.50%	2.10%	2.30%
		People with disabilities	%	N/A	N/A%	4.3%	Kpi available in March 2022
		Departure rate*	%	N/A	12.70%	12.50%	13.20%
		Women hired during the year	%	N/A	25.50%	17.80 %	20.10%
		Absenteeism rate	%	N/A	3.50%	4.20%	3.80%
		Employees benefiting from remote work	%	N/A	39.00%	10.80%	30.20%
		Number of hours of training	Qty	N/A	N/A	26,775	38,906
		Collective bargaining agreements in force	Qty	N/A	N/A	35	36
	Stake	INDICATOR	UNIT	Econocom Group			
				2020	2021		
Conduct a demanding environmental policy		Carbon footprint	tCO ₂		7,816		8,039**
		Surface area of occupied/leased buildings	m ²		82,012		75,858
		Annual electricity consumption	kWh/m ²		68		63
		Water consumption	litres/m ³		4		4
		Annual paper consumption	kg/employee		1,014		934
		Electric and hybrid vehicles in the fleet	%		1.40%		2%
		Environmental footprint of digital technology	KWh/year		5,387,854		3,269,996

03 corporate social responsibility

key performance indicators

Area	Stake	INDICATOR	UNIT	Econocom Group	
				2020	2021
Nurture our excellence through responsible commitment	Be an ethical and responsible player	Ethics alerts	Qty	2 alerts	13 alerts
		Employees who have completed ethics training	%	/	52.70%
		Employees who have completed GDPR training	%	18% (France scope)	75% (France scope)
		Employees who have completed cybersecurity training	%	74% (France scope)	76% (France scope)
		Employees at ISO 27001 certified sites	%	18.9% (EIS scope)	15.5% (EIS scope)
		Suppliers among the top 20 who have signed Responsible purchasing	%	100% (EIS scope)	100% (EIS scope)
		Support the new responsible uses of our customers and users	Promote responsible digital business and the circular economy	Offers in connection with the circular economy, Green IT, Responsible digital technology	Qty
Refurbished IT equipment	Qty			430,000	410,000
% of refurbished IT equipment	%			95	92
Number of WEEE	Qty			19,800	27,500
IT equipment refurbished with companies in the social economy	%			88 (France scope)	88 (France scope)
Federate an ecosystem to create shared value	Partnerships in the education sector and Green IT university	Supported associations	Qty	12	15
		Refurbished or new laptops donated	Qty	1,232	520

* Departure rate: Number of departures suffered (i.e. resignations, end of PP on the employee's initiative) over 12 months/average workforce over 12 months (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding internships).

** As a reminder, Covid had a significant impact on the Group and across France between 2019 and 2020, which explains the slight increase between 2020 and 2021 (see page 22).

04

risk factors

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1. Operational risks

1.1. Risks associated with Services contracts

The Group offers three types of Services contracts:

- fixed-price contracts with a guaranteed result, whereby the Group undertakes to provide certain deliverables for a fixed price, irrespective of the timeframe. This type of contract may include financial penalties in the event of below-expectation performance, calculated according to the value of the contract and usually capped at a certain percentage of the annual amount of the contract. Econocom manages this risk by carrying out technical and financial monitoring of projects (measuring the achievement of contractual objectives, tracking the number of man-days used, estimating the remaining consultant time required, and measuring service quality and lead-time indicators, etc.). This monitoring enables the Group to measure and oversee the achievement of contractual obligations and, where applicable, anticipate any provisions for losses upon contract completion to be recognised in the financial statements. Contracts with a guaranteed result account for almost one-half of the Services business in terms of value;
- fixed-price contracts with service level agreements, whereby the Group undertakes to provide a given service, within a given timeframe, for a fixed price per time unit (usually per month). Econocom manages this risk by carrying out regular technical and financial monitoring of the projects, particularly by tracking the number of man-days spent;

- time-and-materials contracts, whereby the Group undertakes to provide technical skills and charges the client for the number of labour hours spent. Econocom manages these contracts by paying particular attention to the fee schedule and its consultants' fees.

Furthermore, Services contracts carry risks associated with termination notice periods. The Group ensures that this period allows sufficient lead time to adjust the workforce, particularly on large contracts. The Group plans in advance for contract terminations so that it may redeploy its staff and uses a measured level of sub-contracting to ensure flexibility.

1.2. Risks associated with sub-contractor default

For certain contracts, Econocom has performance obligations and sometimes calls upon the services of sub-contractors. Econocom's policy is to recover any penalties charged from its sub-contractors. However, it is possible that Econocom may incur a risk related to default by one of its sub-contractors. No single sub-contractor is sufficiently important to account for a significant portion of Econocom's business.

Econocom assesses the financial and operational capacities of its sub-contractors as and when required, and in particular when it uses sub-contractors that are new market entrants.

1.3. Risks associated with price fluctuations and hardware obsolescence

The Group is exposed to the risk of fluctuations in the future value of leased equipment within the scope of its Technology Management & Financing business. It deals with this risk by calculating the future value of equipment using the diminishing balance method. This calculation method is described in note 4.1 on accounting principles to the consolidated financial statements. The method is regularly compared with actual transactions, and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

For non-standard equipment, the Group ensures that the future value of leased equipment is estimated appropriately, namely by calling on independent experts.

For its Products & Solutions business, Econocom does not keep substantial surplus stock and as such limits its exposure to the risk of obsolescence.

For its data centre maintenance and outsourcing activity, the Group keeps dedicated stock. The components and levels of stock are constantly monitored to ensure that they are in line with the volume and type of equipment under maintenance, which addresses the risk of obsolescence.

1.4. Risks associated with competition

The ICT services market is competitive. In each country where it has operations and in each of its businesses, the Group faces competition from international, national or local players. However, Econocom stands out from the competition due to the diversity of its activities and, especially, its

expertise in Technology Management & Financing and the international scope of its activities.

1.5. Social risks

As far as Econocom Group Management is aware, the Group is not exposed to any social risks other than those arising in the normal course of business for companies of a comparable size based in Europe. The majority of the workforce is employed in the Group's French, Belgian, Spanish, Italian, Moroccan and Brazilian subsidiaries.

1.6. Environmental risks

Econocom Group does not destroy the machines purchased from refinancing institutions at the term of the related leases. In accordance with the WEEE (Waste Electrical and Electronic Equipment) European Directive, the Group collects all the equipment it owns from clients and arranges for all electrical and electronic waste to be processed and recycled. Since 2013, Econocom has been a client of Ecologic, an environmental organisation which collects and processes WEEE from businesses all over France, in compliance with environmental legislation.

1.7. Insurance against risk

The Group is covered against liability claims and property damage *via* insurance policies taken out with first-rate insurers. It has elected not to take out business interruption insurance and insurance against risk of fraud.

The Group reviews and evaluates its risks on an ongoing basis in conjunction with its insurers and experts so as to ensure optimal coverage in both the insurance and reinsurance markets.

1.8. Pledges, guarantees, collateral provided and borrowings

Real security interests provided as collateral for borrowings or financial liabilities by the Group chiefly consist of receivables offered as collateral for its short-term funding. The amount of pledged and mortgaged assets is disclosed in note 20 to the consolidated financial statements.

1.9. Risks related to external growth

As part of its strategy, the Group continues to develop its business by seeking targeted acquisition opportunities.

Acquiring and integrating companies gives rise to certain risks, including higher-than-anticipated financial and operating expenses, failure of the operational integration, which can lead to loss of major clients or the departure of important members of the acquiree's staff and a decline in financial performance.

Integration of the acquired companies may also disrupt the Group's existing businesses and lead to insufficient resources, particularly in terms of management. The synergies expected from an acquisition may fall short of forecasts or take longer to achieve than initially announced, and the costs of implementing these synergies may exceed expectations. The above-mentioned factors may also have a negative impact on the goodwill recognised in the consolidated financial statements (see also note 9 "Goodwill and impairment testing" to the consolidated financial statements).

Several years ago, Econocom Group put in place an original integration and governance model for some of these new acquisitions (called "satellites") so as to preserve their agility, boost their performance and competitiveness and generate synergies at Group level. The founding shareholders of these satellites have retained a non-controlling interest in the share capital and have a very broad level of managerial autonomy. The related integration risk is mitigated by the fact that taken individually, these transactions are relatively small.

2. Regulatory risk

2.1. Legal risks

The Group operates as a service provider in various Western European countries and is therefore subject to numerous different laws as well as customs, tax and labour 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 2021, are presented in note 16 to the consolidated financial statements.

2.2. Risks associated with tax audits

The Group undergoes regular tax inspections in the various countries in which it operates. Although the outcome of these inspections is uncertain, the Group has estimated as accurately as possible the associated risks and has recognised the appropriate provisions for those risks in its financial statements. The outcome of these inspections could have a negative impact on the Group's consolidated financial statements. However, this impact is limited on account of the provisions recognised.

2.3. Risks associated with regulations applicable to lessors' leasing businesses

Certain countries have decided to implement stricter legislation for leasing companies by aligning it with the legislation governing

financial institutions. The associated risk, which is common to all companies in the industry, concerns the increase in administrative costs.

2.4 Risks associated with regulations applicable to Technology Management & Financing clients

The IFRS standard applicable to lease agreements, IFRS 16, published in January 2016, entered into force on 1 January 2019. Under this accounting standard, "lease liabilities" are presented on the companies' balance sheet under liabilities, with the exception of small items with an insignificant unit value.

The impact of this new standard for the Technology Management & Financing business was limited due to the added value brought by the Group in its leases:

- upgrade management *via* leasing and in particular the Group's scalable offerings;
- asset management and expense management provided by Econocom's solutions (inventory tracking, telephone usage management, IT outsourcing for small and medium businesses, etc.), which give our clients optimal visibility and more effective management of their assets;
- better economic management of end-of-life assets;
- management of end-of-life assets in greater compliance with sustainable development commitments;
- smart and connected object (IoT) management capabilities.

3. Dependency risks

3.1. Refinancing institutions dependency risk

In the course of its business, Econocom assigns most of its finance 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 2021, the proportion of the Group's five biggest funders was accounted for 67% of the total value of refinanced rents. The Group's main funder in 2021 represented 30% of the total value of refinanced rents.

3.2. Customer dependency risk

The Group continually strives to expand its client portfolio. This is a strategic development focus area aimed at gaining market shares. At 31 December 2021, no single client represented over 5% of the Group's consolidated revenue.

3.3. Supplier dependency risk

Given the broad choice of potential suppliers and the fact that they are largely interchangeable, Econocom's dependence on suppliers is very limited.

For the Technology Management & Financing, Products & Solutions and Services activities, the choice of suppliers is ultimately made by our clients. For these activities, in the event of a supplier default, an alternative supplier is chosen.

At 31 December 2021, no supplier accounted for more than 15% of the Group's total purchases.

3.4. Technology dependency risk

For its Technology Management & Financing, Services and Products & Solutions activities, the Group develops partnerships with hardware manufacturers, telecoms operators, software vendors and solutions providers. However, it strives to remain independent from these companies in order to offer the best possible solution in terms of architecture, hardware and software.

4. Financial risk

The Group's activities are subject to certain financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group's overall financial risk management policy focuses on reducing exposure to credit risk and interest rate risk by transferring finance lease receivables to refinancing institutions and by using factoring solutions on a non-recourse basis in the Services and Products & Solutions businesses.

4.1. Market risk

Financial market risks (interest rate and foreign exchange risk) and liquidity risks are handled by Group Management.

4.1.1. FOREIGN EXCHANGE RISK

The Group operates chiefly in the eurozone; however, following the expansion of operations in non-eurozone countries in Europe, as well as North and South America, the Group may be exposed to foreign exchange risk on other currencies. The currencies concerned are the pound sterling, the US and Canadian dollars, the Moroccan dirham, the Czech crown, the Swiss franc, the new Romanian leu, the Polish zloty, the Brazilian real and the Mexican peso. Since the large majority of subsidiaries' purchases and sales are denominated in the same currency, this exposure is limited. Econocom Group does not deem this risk to be material, but has nevertheless signed a number of foreign exchange hedging agreements to hedge risks on internal flows.

4.1.2. INTEREST RATE RISK

Econocom's operating income and cash flows are substantially independent of changes in interest rates.

Sales of leases to refinancing institutions are systematically based on fixed rates.

Income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

The Group uses a combination of fixed rates and floating rates to hedge its interest rate exposure.

At 31 December 2021, the Group's floating-rate debt comprised bank borrowings commercial paper and factoring agreements. Unhedged outstandings are based on capped Euribor rates and are therefore subject to limited short-term interest rate risk.

The Group's bond debt is at a fixed rate and comprises private placement (EuroPP) for €56 million, €13 million of Schuldschein and a €183 million convertible bond. Econocom continued to reduce its debt during the financial year: €137 million of Schuldschein were repaid, including an early repayment of €115 million.

4.1.3. LIQUIDITY RISK

The Finance Department is responsible for ensuring that the Group has a constant flow of sufficient funding:

- by analysing and updating cash flow forecasts on a monthly basis for all of the Group's companies;
- by negotiating and maintaining sufficient outstanding lines of financing;
- by optimising the Group's cash pooling system in order to offset cash surpluses and internal cash requirements.

In 2021, Econocom continued to optimise its sources of financing with the aim of (i) reducing its financial expenses and (ii) extending maturities of its borrowings and (iii) having more flexible facilities. In order to meet its financing needs, the Group has confirmed bank lines, the total amount of which was increased by €100 million during the financial year and the maturities extended by two years. As of 31 December 2021, Econocom had €359 million in bilateral

bank credit facilities of which €273 million confirmed.

In addition, the Group made use of its NEUCP/NEUMTN programmes, capped at €280 million and drawn in the amount of €22 million at 31 December 2021. The finance cost of these programs was significantly reduced in 2021 thanks to very high demand from investors.

In 2022, the Group will continue its policy of diversifying its financing resources in order to optimise its costs and extend the average maturity of its debt. During the financial year, the seven-year tranche of EuroPP for a total amount of €56 million will mature. The Econocom Group has the liquidity required to meet this deadline.

4.2. Credit and counterparty risk

The Group has policies in place to ensure that goods and services are sold to clients whose credit standing has been analysed in depth. The Group's credit risk exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Products & Solutions and Services businesses, as well as non-recourse refinancing with bank subsidiaries and credit insurance in the Technology Management & Financing business.

For its Technology Management & Financing business, the Group nevertheless has the option of retaining the credit risk on certain strategic transactions. These relate primarily to Econocom Digital Finance Limited (EDFL), the Group's internal refinancing unit with expertise in transaction security and non-standard contract financing.

At 31 December 2021, contracts on which Econocom bears the credit risk represented €208 million, compares with €186 million in December 2020, or around 9% of total outstanding rentals for the Technology Management & Financing business. The Group only invests with investment-grade counterparties, thus limiting its credit risk exposure.

4.3. Equity risk

The Group does not hold any unlisted or listed shares apart from treasury shares.

As the treasury shares held by Econocom Group as of 31 December 2020 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.

05

management report

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Management Report of the Board of Directors on the financial statements

For the year ended 31 December 2021 presented to the General Meeting of 31 March 2022

In accordance with prevailing legislation and the Company's Bylaws, we submit to you for approval our report on the Company's operations and the financial statements for the year ended 31 December 2021, as well as the compensation report.

The definitions of the performance indicators are provided as an appendix to this report when they differ from the commonly accepted definitions.

The non-financial information required under articles 3:6 and 3:32 of the Belgian Companies and Charities Code (*Code des sociétés et des associations* – CSA) is reiterated in chapter 3, "Corporate Social Responsibility".

1. Group's financial position and highlights

In 2021, the Econocom Group generated revenue of €2,505 million from continuing operations, a slight decrease of 0.6% (of which -1.0% organic) in a context of supply difficulties encountered during the second half of the year, which led to an increase of more than €100 million in the backlog at the end of December 2021.

The Products & Solutions business amounted to €1,068 million, a limited decline of 2.5% on an organic basis. After several years of strong organic growth, this activity was impacted from the third quarter by the tensions encountered on supplies. However, the need for digital assets required for the digital transformation of companies and administrations in a context of growing teleworking remains very strong with a positive effect on the order book.

For its part, the Services activity posted revenue of €516 million, down by 3.1% organically, in particular due to the Group's desire to favour contracts with higher added value. This strengthening of the selection criteria for new business results in a significant increase in the services margin in 2021.

TMF revenue reached €921 million, representing organic growth of 2.2%, amplifying the return to growth observed at the end of September during the last quarter. This good performance reflects the redevelopment efforts implemented over the last two financial years and the benefit of the strengthening of the sales teams and new offers. The Group has also expanded its customer base, enabling it to base its growth on a greater number of transactions.

In 2021, discontinued operations generated revenue of €62 million, down significantly from the previous year due to disposals during the year.

Profit from current operating activities⁽¹⁾ of continuing operations amounted to €135.7 million, representing strong growth of 16.0%. This improvement in the Group's profitability to 5.4% was made possible thanks to the refocusing of the Group's business lines on activities with higher margins, the targeted development in its strategic regions in Europe and the sustainable reduction of certain overheads.

(1) Before amortisation of intangible assets from acquisitions.

1.1 Changes in scope for the year

1.1.1 DISPOSALS

Following its transformation and refocusing plan, Econocom carried out the following disposals during the year:

- **Aragon e-RH:** in February 2021, Econocom sold all of the shares in Aragon eRH to Career Booster;
- **Econocom do Brasil:** at the end of September 2021, Econocom sold its Services activities in Brazil mainly to its local manager;
- **Alterway:** at the end of September 2021, Econocom sold its entire stake in the Alterway sub-group to the Smile group. In addition, the Group decided to shut down the activity of its subsidiary Econocom Austria, which was closed

1.1.2 CHANGES IN OWNERSHIP INTEREST

- **Infeeny:** Econocom Group increased its stake in the company via the acquisition of shares from non-controlling shareholders, bringing its stake to 100%.

1.1.3 ACQUISITION AND CREATION OF COMPANIES

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

- **Trams:** in July 2021, Econocom acquired a majority stake (60%) in the capital of the English group Trams, a recognized player in IT distribution in the United Kingdom. This entity was merged with the Products & Solutions activity;
- **Abeilles Financement and Caroline 89:** in connection with the financing of the two tugs acquired by Les Abeilles in June 2021, two entities ad hoc were created; the Group consolidated them at that date considering that it controls them;

- **Atos Finance Solutions:** on 30 June 2021, the Group created a company with the Atos Group. The Econocom group holds an 85% stake in this company.

1.2. Main investments

In addition of the equity interests acquired as described above, the main investments made by the Group in 2021 in order to consolidate and transform its operations were related to creating new offers, developing IT tools, recruiting for key positions and renewing teams.

1.3. Financing operation

RENEGOTIATIONS OF CERTAIN FUNDING

During the financial year, the Group extended and increased its credit lines, enabling it to repay a large part of its "Schuldschein" bond early in May.

TREASURY SHARE BUYBACKS

Econocom also continued to buy back its treasury shares in 2021. It acquired 27,823,984. After taking into account the distribution of shares to managers benefiting from capital incentive plans, the Group held, as of December 31, 2021, 37,303,151 shares, i.e. 16.78% of the Company's share capital.

1.4. Research and development

In 2021, R&D efforts were continued, consistent with the areas developed in prior years with the aim of providing intensive support and assistance for any innovative solutions produced by our customers.

R&D efforts focused particularly on the areas of data visualisation (DATAVIZ), decision support, developing integrated solutions in the area of IoT, image recognition in real time, 5G microservice billing and machine learning, applied to process automation.

2. Profit for the year

2.1. Income statement

<i>in € millions</i>	2021	2020 restated⁽¹⁾	Change
Revenue	2,504.7	2,520.7	(0.6)%
<i>Products & Solutions</i>	1,067.5	1,072.6	(0.5)%
<i>Services</i>	516.3	553.7	(6.8)%
<i>Technology Management & Financing</i>	920.9	894.3	3.0%
Profit (loss) from current operating activities⁽²⁾	135.7	119.6	13.4%
<i>Profit/(loss) from current operating activities</i>	133.5	117.5	13.6%
Non-recurring operating income and expenses	(14.3)	(35.8)	(60.1)%
Operating profit	119.2	81.7	45.8%
<i>Other financial income and expenses</i>	(9.8)	(13.2)	(25.8)%
Profit before tax	109.4	68.5	59.7%
<i>Income tax expense</i>	(31.7)	(18.2)	73.9%
Net profit/(loss) from continuing operations	77.7	50.3	54.5%
<i>Share of profit (loss) of associates and joint ventures</i>	(0.1)	0.1	n/a
Profit (loss) from discontinued operations	(7.4)	(0.1)	n/a
Net profit for the period	70.1	50.2	39.6%
<i>Non-controlling interests</i>	4.7	3.4	35.5%
Profit for the period attributable to owners of the parent	65.5	46.8	39.9%
<i>Recurring profit (loss) attributable to owners of the parent⁽²⁾</i>	80.5	68.7	17.2%

⁽¹⁾ In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now presented in profit (loss) from current operating activities.

⁽²⁾ To facilitate the monitoring and comparability of its operating and financial performances, Econocom group presents two key indicators, "profit (loss) from current operating activities before amortisation of intangible assets from acquisitions" and "profit (loss) from current operating activities attributable to owners of the parent". Their definition is given in the notes to the financial statements.

Reconciliation of reported profit with recurring profit

<i>in € millions</i>	2021 reported	Amor- tisation of intangible assets from acquisitions	Other non- recurring items	Profit (loss) from discon- tinued operations	2021 recurring	2020 recurring ⁽¹⁾
Revenue	2,504.7	-	-	-	2,504.7	2,520.7
Profit/(loss) from current operating activities	133.5	2.2	-	-	135.7	119.6
Other non-recurring operating income and expenses	(14.3)	-	14.3	-	-	-
Operating profit	119.2	2.2	14.3	-	135.7	119.6
Other financial income and expenses	(9.8)	-	(3.1)	-	(12.9)	(14.2)
Profit before tax	109.4	2.2	11.2	-	122.8	105.5
Income tax expense	(31.7)	(0.6)	(5.2)	-	(37.5)	(33.4)
Share of profit (loss) of associates and joint ventures	(0.1)	-	-	-	(0.1)	0.1
Profit (loss) from discontinued operations	(7.4)	-	-	7.4	-	-
Net profit for the period	70.1	1.7	5.9	7.4	85.1	72.1
Non-controlling interests	4.7	-	0.0	-	4.7	3.5
Profit for the period attributable to owners of the parent	65.5	1.7	5.9	7.4	80.5	68.7

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

Basic earnings per share attributable to owners of the parent

<i>In €</i>	2021	2020 restated ⁽¹⁾	Change
Basic earnings per share	0.34	0.22	54.5%
Basic earnings per share from continuing operations	0.38	0.22	72.7%
Basic earnings per share from discontinued operations	(0.04)	(0.00)	n/a
Diluted earnings per share	0.32	0.21	52.9%
Diluted earnings per share from continuing operations	0.35	0.21	68.8%
Diluted earnings per share from discontinued operations	(0.03)	(0.00)	n/a
Recurring earnings per share	0.42	0.32	33.3%

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

Number of shares outstanding

	2021	2020
Total number of shares at end of period	222,281,980	220,880,430
Average number of shares outstanding ⁽¹⁾	190,767,600	216,865,774
Number of shares outstanding at end of period ⁽¹⁾	184,978,829	211,101,263
Econocom share price at 31 December (in €)	3.65	2.48
Market capitalisation at 31 December (in € millions)	810	547

⁽¹⁾ Excluding treasury shares.

Comments on the Group's key figures

In 2021, the Econocom group generated stable consolidated revenue of €2,505 million. On a like-for-like basis, organic revenue fell by 1.0%.

Profit (loss) from current operating activities before amortisation of intangible assets from acquisitions amounted to €135.7 million compared to €119.6 million in 2020. On a like-for-like basis, profit from current operating activities before amortisation of intangible assets from acquisitions was up by around €18.8 million.

The Group's profit from current operating activities was €119.2 million, compared to

€81.7 million in 2020. Non-recurring expenses amounted to €14.3 million, compared with €35.8 million in 2020. These expenses relate in particular to organisational adaptation measures and include the capital gains realised on the disposals of Digital Security in 2020 and Alterway in 2021.

The net financial expense was €9.8 million, an improvement of €3.4 million compared to the previous financial year due to a decrease in the cost of net financial debt and the capital gain on the disposal of shares in a technology investment fund.

2.1.1. KEY FIGURES BY ACTIVITY

Revenue and profit (loss) from current operating activities* can be broken down by activity as follows:

<i>in € millions</i>	2021	2020 restated ⁽¹⁾	Change at comparable standards	Like-for-like change
Products & Solutions	1,068	1,073	(0.5%)	(2.5%)
Services	516	554	(6.8%)	(3.1%)
Technology Management & Financing	921	894	3.0%	2.2%
Total Revenue	2,505	2,521	(0.6%)	(1.0%)

⁽¹⁾ In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

<i>in € millions</i>	2021	2020 restated ⁽¹⁾	Total change	ROP ⁽²⁾ (as a% of 2021 revenue)	ROP ⁽²⁾ (as a% of 2020 revenue)
Products & Solutions	53.5	46.6	14.7%	5.0%	4.3%
Services	42.5	35.2	20.7%	8.2%	6.4%
Technology Management & Financing	39.8	37.8	5.1%	4.3%	4.2%
Total profit (loss) from current operating activities⁽²⁾	135.7	119.6	13.4%	5.4%	4.7%

⁽¹⁾ In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now presented in profit (loss) from current operating activities.

⁽²⁾ Before amortisation of intangible assets from acquisitions.

The Products & Solutions activity reported revenue of €1,068 million in 2021 compared with €1,073 million in 2020. Net of changes in exchange rates and scope of consolidation, the organic decrease was -2.5% and is attributable supply-chain problems which affected deliveries. However, the need for digital assets is still growing very strong. Profit (loss) from operating activities* amounted to €53.5 million compared to €46.6 million last year, an increase of 14.7%.

In 2021, the Services activity reported revenue of €516 million, an organic decline of 3.1%, mainly in France and Benelux. The Group's desire to focus on higher value-added contracts contributed to this decline. However, the strengthening of the selection criteria for new business resulted

in a significant increase in the Services margin in 2021. Profit (loss) from current operating activities* thus totalled €42.5 million compared to €35.2 million last year, an increase of more than 20% despite the disposals.

The profitability margin totalled 8.2% of revenue (compared with 6.4% a year earlier).

In the 2021 financial year, the Technology Management & Financing business generated revenue of €921 million, up by 3.0%, including an organic increase of 2.2%, confirming the recovery of the business after the measures taken during the last two years. Profit from current operating activities of this activity was €39.8 million, compared with €37.8 million in 2020.

* Before amortisation of intangible assets from acquisitions.

2.1.2. KEY FIGURES BY REGION

Revenue breaks down as follows:

<i>in € millions</i>	2021	2020 restated ⁽¹⁾	Change based on like-for-like standards	Like-for-like change
France	1,345	1,428	(5.8%)	(5.3%)
Benelux	332	347	(3.9%)	(4.3%)
Southern Europe	465	425	9.4%	11.0%
Northern & Eastern Europe	269	226	18.9%	6.7%
Americas	94	95	(1.0%)	2.0%
Total revenue	2,505	2,521	(0.6%)	(1.0%)

⁽¹⁾ In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

The France region recorded an organic decline of 5.3% on the back of the Services and Products & Solutions activities despite growth in the TMF activity.

The decrease in revenue in the Benelux was mainly due to the activities in Belgium and Luxembourg in the Technology Management & Financing and Services activity partially offset by the growth in the Technology Management & Financing activity in the Netherlands.

The strong increase in revenue in Southern Europe, which was entirely organic, came from all of the Group's activities, in particular from TMF in Spain and Products & Solutions in Italy.

Northern and Eastern Europe posted organic growth in both TMF and Products & Solutions, and benefited from the effects of the acquisition of Trams in early July.

The Americas region recorded organic growth, marked by strong growth in Technology Management & Financing in the United States, largely off-setting a decline in Products & Solutions due in particular to supply-chain difficulties.

2.2. Balance sheet and financial structure

<i>in € millions</i>	31 December 2021	31 December 2020
Goodwill	494.9	499.5
Other non-current assets	160.1	167.9
Residual interest in leased assets	170.7	175.2
Other non-current assets	61.3	62.3
Trade and other receivables ⁽¹⁾	796.4	894.1
Other current assets	180.4	137.0
Cash and cash equivalents	405.9	649.3
Assets held for sale	69.0	74.3
Total assets	2,338.7	2,659.8

⁽¹⁾ Of which self-funded outstanding rentals: €208.3 million at 31 December 2021 versus €185.9 million at 31 December 2020.

<i>in € millions</i>	31 December 2021	31 December 2020
Equity attributable to owners of the parent	385.9	406.1
Non-controlling interests	58.4	66.9
Total equity	444.3	472.9
Bonds ⁽¹⁾	252.0	388.6
Financial liabilities ⁽¹⁾	220.7	240.5
Provisions	68.4	91.0
Gross liability for purchases of leased assets	98.1	103.7
Other financial liabilities ⁽²⁾	56.7	61.9
Trade and other payables	882.0	992.1
Other liabilities	285.8	279.5
Liabilities held for sale	30.7	29.5
Total equity and liabilities	2,338.7	2,659.8

⁽¹⁾ Taking into account the cash and cash equivalents of €405.9 million as of 31 December 2021 (and €649.3 million as of 31 December 2020) and bond loans and financial liabilities, the balance sheet shows net debt of €66.8 million at 31 December 2021 (compared to a cash surplus of €20.2 million at 31 December 2020); these financial liabilities include in particular €208.3 million at 31 December 2021 (and €185.9 million at 31 December 2020) corresponding to self-funded TMF contracts and the expected associated lease payments.

⁽²⁾ Acquisition-related liabilities

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profit for the year

The balance sheet below expresses this more concisely:

- by posting the positive cash and cash equivalents from bond loans and other financial liabilities in liabilities to show net book debt directly on this side of the balance sheet;
- by showing trade receivables on the asset side and net debt in liabilities for the share of TMF self-funded contracts.

<i>in € millions</i>	31 December 2021	31 December 2020
ASSETS		
Goodwill	494.9	499.5
Other non-current assets	221.4	230.2
Residual interest in leased assets	170.7	175.2
Trade and other receivables	796.4	894.1
<i>of which outstanding on self-funded contracts</i>	208.3	185.9
Other current assets	180.4	137.0
Assets held for sale	69.0	74.3
Total assets	1,932.8	2,010.5

<i>in € millions</i>	31 December 2021	31 December 2020
LIABILITIES		
Equity	444.3	472.9
Net financial debt	66.8	(20.2)
<i>of which net debt linked to self-funded contracts</i>	208.3	185.9
<i>of which net debt – other</i>	(141.5)	(206.1)
Gross liability for purchases of leased assets	98.1	103.7
Other non-current liabilities	117.6	155.2
Suppliers	882.0	992.1
Other current liabilities	293.4	277.3
Liabilities held for sale	30.7	29.5
Total equity and liabilities	1,932.8	2,010.5

Goodwill

At 31 December 2021, goodwill amounted to €494.9 million, down €4.6 million compared with the previous year. This decrease is due mainly to the reclassification of the goodwill operations held for sale, recognition of goodwill as a result of the acquisition of Trams in the amount of €12.2 million as well as the disposals carried out during the year.

Equity

Total equity stood at €444.3 million, down by €28.6 million compared with end-2020. This decrease is mainly due to the impact of the share buybacks that took place during the financial year for an amount of approximately €83.0 million and the

repayment of issue premiums in the amount of €22.5 million partially offset by profit for the year of €70.1 million.

At 31 December 2021, Econocom group held 37,303,151 treasury shares valued at €136.0 million not recorded in its balance sheet (at the share price on 31 December 2021, i.e. €3.645).

The breakdown of equity attributable to owners of the parent and the share attributable to non-controlling interests fluctuated due to acquisitions: accordingly the share attributable to non-controlling interests was €58.4 million versus €66.9 million at 31 December 2020.

Net financial debt

The Group's net book debt, as of 31 December 2021, amounted to €66.8 million compared to a cash surplus of €20.2 million at the end of 2020. This net book debt breaks down as follows:

<i>in € millions</i>	2021	2020
Cash and cash equivalents	405.9	649,3
Bank debt and commercial paper	(71.9)	(156.7)
Net cash	334.0	492.7
Convertible bond debt (OCEANE)	(182.5)	(182.2)
Non-convertible bond loans (Euro PP)	(56.4)	(56.3)
Non-convertible bond debt (<i>Schuldschein</i>)	(13.0)	(150.0)
Other	(149.0)	(83.8)
Net book debt	66.8	-
Net cash surplus	-	20.2

This net book debt corresponds to the amount after financing of TMF self-funded contracts in the amount of €208.3 million (vs. €185.9 million in 2020).

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:

Profit (loss) from current operating activities

Profit (loss) from current operating activities includes all income and expenses directly related to the Group's operations, whether recurring or not. It excludes other non-recurring income and expenses.

Profit (loss) from continuing operations before amortisation of intangible assets from acquisitions

Profit (loss) from current operating activities before amortisation of intangible assets from acquisitions measures the level of operating performance after the amortisation of intangible assets acquired through business combinations. At 31 December 2021, the main acquisitions of intangible assets made by the Group and whose amortisation is not taken into account for the determination of this aggregate are primarily the ECS customer portfolio.

Econocom uses profit (loss) from current operating activities before amortisation of intangible assets from acquisitions as the main indicator to monitor the operational performance of its activities.

Other non-recurring operating income and expenses

"Other non-recurring operating income and expenses" include items that, by their frequency, amount or nature, are liable to undermine the pertinence of the Group's operating performance as a performance indicator. "Other non-recurring operating income and expenses" 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 profit (loss) from current operating activities adjusted for depreciation and amortisation, additions to and reversals of provisions for asset impairment and provisions for contingencies and losses, and net impairment losses on current and non-current assets recognised in profit (loss) from current operating activities.

Recurring net profit (loss) attributable to owners of the parent

Since the first half of 2016, recurring net profit (loss) attributable to owners of the parent has been the key performance indicator used by Econocom to assess its economic and financial performance. Recurring net profit (loss) for the year attributable to owners of the parent corresponds to profit (loss) for the year attributable to owners of the parent, before the following items:

- amortisation of intangible assets from acquisitions (in the year ended 31 December 2021, mainly amortisation of the ECS customer portfolio), net of tax effects;
- other non-recurring operating income and expenses, net of tax effects;
- non-recurring financial income and expense, net of tax effects;
- profit (loss) from discontinued operations, net of tax effects.

Net and gross debt

The definition of net debt used by the Group (see note 14.3 to the consolidated financial statements) is gross debt (presented below) less gross cash and cash equivalents. It does not include the Group's gross liability for purchases of leased assets or its residual interest in leased assets.

Gross debt includes all interest-bearing debt and debt incurred by receiving financial instruments.

2.3. 2021 separate financial statements of Econocom group SE

Econocom group SE, as the Group's holding company, manages a portfolio of securities, receives dividends from its subsidiaries and oversees the Group's development.

It also provides services to the Group's subsidiaries in the areas of management, IT, cash, guarantees, provision of staff, consulting, communication and marketing. These services are billed according to normal market terms.

The revenue stated hereafter refers to Econocom group SE's separate financial statements, prepared in accordance with Belgian legislation.

2.3.1. INCOME STATEMENT OF ECONOCOM GROUP SE

The cost of services rendered to the Group's subsidiaries during the year totalled €14.9 million, compared with €15.9 million in the previous year.

Operating loss for the year amounted to -€0.6 million, compared with -€9.6 million in 2020. This year it included a non-recurring operating expense of €3.1 million.

Recurring finance income totalled €180.5 million, compared with €22.1 million in 2020. It consists mainly of dividends received from subsidiaries in the amount of €186.0 million in 2021 (compared to €25.0 million in 2020), income net of interest and guarantee commissions invoiced to the subsidiaries in the amount of €3.2 million (compared with €7.8 million in 2020), and the cost of external debt in the amount of €8.8 million (compared with €10.3 million in 2020).

Non-recurring finance income for the period totalled €98.4 million (compared to €1.2 million in 2020). It mainly includes the capital gains on the disposal of and contributions from companies and the gain resulting from the partial buybacks of convertible bonds during the year as well as a decrease in the value of equity investments.

Income tax expense came to €0.5 million. Net profit totalled €278.8 million, compared with €13.3 million in the previous year.

2.3.2. BALANCE SHEET OF ECONOCOM GROUP SE

Econocom group SE's equity stood at €535.2 million, compared with €276.9 million in 2020. This change is attributable to the profit for the year (€278.8 million), the impact of the capital increases carried out as part of the exercise of stock options less the repayment of issue premiums in the amount of €24.4 million.

Receivables and equity investments in related parties decreased by €144.4 million to €897.2 million, due to the repayment of financial receivables to subsidiaries more than off-setting the amount of investments net of disposals during the year (see below).

Non-Group financial liabilities, totalling €273.7 million, down by €234.7 million over the year, corresponds to the amount of the OCEANE bonds issued in May 2018 in the amount of €182.8 million maturing in March 2023, €56.4 million to the EURO PP (issued in May 2015), €13.0 million to the *Schuldschein* bond (issued in November 2016 of which €137.1 million were repaid during the year), and €21.5 million in commercial paper (with short-term maturities of between one and three months).

2.3.3. SHARE CAPITAL

At 31 December 2021, Econocom group's share capital totalled €23,662,014.74, divided into 222,281,980 shares with no nominal value.

Changes in share capital since 2012 have consisted of (i) share capital increases in connection with the exercise of stock options by the Group's managers and (ii) share capital increases either as part of external growth transactions to fund a portion of the acquisition price or as a result of the conversion of bonds.

The only items that could have an influence on Econocom group's share capital corresponding to the 2014 and 2017 stock option plans and the OCEANE convertible bond issued on 1 March 2018.

In December 2014, the Board of Directors approved a stock option plan ("2014 Stock Option Plan") and decided to issue, with cancellation of shareholders' pre-emptive subscription rights, 2,500,000 stock subscription rights entitling the holders to subscribe, under certain conditions, to a new Econocom group share. The Compensation Committee had two years to determine the beneficiaries of the 2014 Stock Option Plan. A total of 2,480,000 stock options were granted to approximately 20 of the Group's managers under the 2014 Stock Option Plan. At 31 December 2021, taking into account the options lapsed due to departures and

failure to meet performance conditions, as well as the exercises carried out, there are still 324,000 stock options for 2014 corresponding to options exercised at the end of December 2021 and which will give rise in January 2022 to the issue of 648,000 new shares, each option entitling holders to two Econocom group shares following the two-for-one split that took place in June 2017.

In June 2017, the Board of Directors also approved a stock option plan ("2017 Stock Option Plan") and decided to issue, with cancellation of shareholders' pre-emptive subscription rights, 2,000,000 stock subscription rights entitling the holders to subscribe, under certain conditions, to a new Econocom group share. The Compensation Committee had until 31 December 2019 to determine the beneficiaries of this plan. At 31 December 2020, taking into account the options forfeited by beneficiaries, the number of 2017 stock options allocated amounted to 90,000 corresponding to a maximum issue of 90,000 new shares.

On 1 March 2018, Econocom launched the issuance of convertible bonds (OCEANE) with a par value of €200 million, maturing in 2023. The holders of Bonds will have a right to the award of Shares that they may exercise at any time from the Issue Date (i.e. 6 March 2018) and until the 8th business day (inclusive) preceding the normal or early redemption date on the basis of a conversion or exchange ratio of one Econocom Share per Bond and subject to any subsequent adjustments. In the event of request of conversion of Bonds, the Bond holders will receive, at Econocom's discretion, new and/or existing Shares of Econocom. Following the bond buybacks in 2021, there are currently 22,439,865 bonds outstanding. If all the bonds were converted (if the conversion price of €8.26 was reached) into new shares, according to the current conversion ratio of 1 share for 1 bond, 22,439,865 new shares would be issued.

Finally, the Extraordinary General Meeting of 19 May 2020 renewed, for a five-year period, the authorisation given to the Board of Directors, in accordance with articles 7:198 and 7:199 of the Belgian Companies Code to carry out one or more capital increases of up to a maximum total amount of €23,512,749.67 (excluding issue premiums). At 31 December 2021, authorised unissued capital (excluding issue premiums) stood at €23,512,749.67.

The Company's ownership structure is described in section 5, "Corporate governance statement".

Treasury shares

Econocom group has a share buyback programme, which allows it to:

- deliver shares to avoid potential dilution of shareholders' interests due to the exercise of options;
- award to free share plan beneficiaries;
- pay for any external growth transactions;
- cancel shares acquired.

On 30 November 2021, the Extraordinary General Meeting amended article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the Belgian Companies Code.

On 30 November 2021, pursuant to this amendment, the Extraordinary General Meeting authorised the Board of Directors, for a five-year period, to acquire a maximum of 88,000,000 treasury shares of the Company. The minimum purchase price was set at €1 per share and the maximum price at €10 per share.

In 2021, the following treasury share movements took place:

- Econocom group acquired 9,959,016 Econocom group shares, for an acquisition price of €30.7 million;
- Econocom group transferred 300,000 treasury shares to a Free Share Plan beneficiary.

As at 31 December 2021, Econocom group held 19,438,183 treasury shares acquired under its share buyback program. The treasury shares represent 8.74% 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 give entitlement to dividends.

Econocom group's distributable reserves (statutory data) stood at €2.5 million, in addition to retained earnings in the amount of €279.2 million.

Econocom group's non-distributable reserves stood at €55.4 million in addition to restricted issue premiums in the amount of €171.9 million.

2.3.4. BUSINESS OVERVIEW

2.3.4.1. Acquisitions, disposals, equity investments and formations of subsidiaries

In 2021, Econocom Group acquired the English company Trams Ltd, sold Alterway and Econocom do Brasil and exercised its options to strengthen its stake in Infeeny.

Moreover, as part of the management of its subsidiaries and the Group organisation chart:

- Econocom Group received all the shares held by Econocom SAS in Econocom Servicios in the form of dividends in kind;

- Econocom Group sold its subsidiary Econocom Digital Finance Ltd to Econocom Finance in order to create a Group financing and refinancing division in its organisational structure;
- Econocom Group contributed all of its shares in Spanish subsidiaries to a newly created holding company, Grupo Econocom Espana, which becomes the parent company of the Group's Spanish activities;
- Econocom Group also contributed its shares in Infeeny to its subsidiary Econocom SAS.

2.3.4.2. Other legal restructuring

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

Measures performed in 2021 were aimed at combining companies with similar activities in the same country. These transactions consisted of mergers of companies in France, Spain, Italy and Belgium as well as disposals of goodwill in France or Belgium.

Moreover, in order to streamline and simplify its organisation chart, the Group closed down or liquidated certain subsidiaries without activity in France.

As a result of the reorganisations carried out in 2021, the number of legal entities within the Group was reduced thereby streamlining the Company organisation.

3. Risk factors and disputes

Risk factors did not change significantly in 2021. They are described in note 19.

4. Outlook for 2022 and shareholders' compensation

As a result of the Group's strong financial position, the Board of Directors will recommend to the General Meeting to proceed with a refund of the issue premium, considered as paid-in capital, in the amount of €0.14 per share.

This refund represents an increase of around 16.7% compared to recent years.

Moreover, the Group plans to continue share buybacks.

In 2022, the Group will rely on its new offers (Product Care, Recycling, Apps services, etc.) and on a full order book to boost its

growth momentum. In a buoyant market, Econocom will also be able to rely on strengthened sales teams to ensure its expansion. Subject to the gradual improvement in supply chain difficulties, Econocom anticipates revenue growth in the range of 4 to 5% and a continued improvement in its current operating profitability.

The Group has a pipeline of external growth opportunities that should enable it to complete one or more acquisitions in the coming quarters thanks to its low level of debt.

5. Corporate governance statement

5.1. Applicable Corporate Governance Code

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

www.corporategovernancecommittee.be

Econocom publishes the various Internal Rules (in French only) that comprise its Corporate Governance Charter on its website:

www.econocom.com

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

The Board of Directors adheres to the 2020 Code. The transformation of Econocom group into a European company (*societas europaea*) on 18 December 2015 prompted the Board of Directors to change the Internal Rules of the Board of Directors and the Executive Committee on 19 May 2016. The Executive Committee's Internal Rules again changed on 7 September 2016, and the Committee was renamed the Executive Committee at that time. In connection with the change in its corporate governance, the Econocom group on 23 January 2020 was required to amend the Internal Rules of its Audit Committee and its Compensation Committee. The latter was renamed "Compensation and Appointments Committee" on that occasion.

5.2. Exemptions from the 2020 Code

Econocom group applies the recommendations of the 2020 Code, except for those which the Board has deemed ill-suited to Econocom group's size, or that it intends to implement over

the long term. The principles with which Econocom group does not comply, in whole or in part, are described below.

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

Econocom International BV, represented by Jean-Louis Bouchard, combines the roles of Chairman of the Board of Directors, Chief Executive Officer and Chair of the Executive Committee. The Group thus does not respect the segregation principle between the supervisory power of the Board of Directors and the executive power. On 31 December 2021, Econocom International BV directly and indirectly held 40.10% of the share capital of Econocom group. Such a system meets the characteristics of Econocom group's shareholdings and is aimed at ensuring management stability as Econocom implements its long-term strategy.

Furthermore, the Board of Directors has not yet formally appointed a Secretary in charge of advising it on governance matters. However, this role is partly performed by Nathalie Etzenbach-Huguenin, Company Secretary of the Group since October 2021.

Econocom group only applies part of the recommendations in Principle 5 of the 2020 Code, which state that "the Company must use a transparent procedure for appointing Board members", because it deems that the recommendation of the 2020 Code is ill-suited to Econocom group's size. However, on 23 January 2020, the Board of Directors changed the Compensation Committee into a Compensation and Appointments Committee, in charge of suggesting appointments and formulate recommendations to the Board of Directors on appointments and reappointments of corporate officers and certain executive managers.

Econocom group only partially complies with the new recommendations of Principle 7 on the compensation of Board members and executive managers. The executive compensation policy was approved by the Ordinary General Meeting of 18 May 2021.

The Chairman of the Board of Directors does not systematically attend General Meetings, contrary to the recommendations of Principle 8 of the 2020 Code, but he ensures that the Board of Directors is always represented by one Director.

As an exception and due to the health crisis, the Company did not encourage shareholders to attend General Meetings in person, in accordance with Principle 8.3 of the 2020 Code. Nevertheless, it provided them with the technology and means of communication necessary for this purpose.

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

5.3. Description of internal control and risk management procedures in the context of the preparation of the financial information

The financial information communicated by the Group refers to its consolidated financial statements and to the management accounting aspects of the financial statements published in compliance with IFRS as adopted by the European Union and approved by the Board of Directors.

This financial information is, at every reporting date, presented to the Group's Audit Committee, and explained to all the Directors.

5.3.1. FINANCIAL ORGANISATION

The Group's financial organisation is both local and global. The Group is organised by business and country. Financial processes are implemented by finance teams, Finance Directors and Financial Controllers, all of whom report to the Group Chief Financial Officer. Business and country Financial Controllers ensure that the reporting rules and practices are applied consistently across the activities, irrespective of the country.

5.3.2. COORDINATION OF REPORTING AND CONSOLIDATION

The accounts are consolidated by a dedicated team on a quarterly basis. The consolidated companies send their detailed financial statements *via* the consolidation tool for inclusion in the consolidated financial statements.

Each entity (*i.e.*, company or business unit) draws up a budget. Profit forecasts are adjusted several times during the year and are monitored on a monthly basis based on the activity reports provided to Group Management. These reports are drawn up jointly by the Head of Operations and the Financial Controller of the entity.

The Group Financial Controlling draws up schedules and specific instructions for the various budgets, reports and the items needed for the purpose of consolidation.

5.3.3. ACCOUNTING STANDARDS AND MONITORING

The Group's accounting principles are set out in an accounting principles manual which is used as the basis for preparing financial information. This manual describes the method for recording transactions and presenting financial information.

The team in charge of consolidation is also responsible for keeping abreast of changes to IFRSs.

5.3.4. IT SYSTEMS

The Information Systems Department oversees the various information systems used by the Group. It ensures the gradual harmonisation of the solutions implemented and the continuity of operations. In the preparation of financial information, information flows from IT tools specific to the various activities are centralised in a single accounting management and reporting solution.

5.3.5. RISK FACTORS, SURVEILLANCE AND MONITORING

The monthly reports enable the various operational and financial managers and Group Management to verify that the Group's results are accurate and consistent with the targets set. At the end of each month, they contain a comparison between the management data and the Group's consolidated financial statements in order to ensure that the financial information is reliable.

The Group's Internal Audit Department (outsourced) completes the risk organisation, and is in charge inter alia of drawing up a risk map. It also reviews the subsidiaries' financial statements in order to ensure that they comply with Group rules, and verifies that the reports are accurate and that risks are adequately covered. The Group's Internal Audit Department reports directly to the Chairman and the Audit Committee.

When identifying risks that may impact the achievement of financial reporting objectives, Group Management takes into account the possibility of misrepresentations and fraud, and undertakes the required actions to strengthen internal control, if necessary. The Internal Audit conducts specific audits, on the basis of the assessment of potential fraud

risks, in order to avoid and prevent fraud. Any findings are systematically reported to the Audit Committee.

5.3.5.1. Risks associated with accounting systems

Risks associated with accounting systems are assessed on a regular basis with a view to implementing improvement plans.

The accounting systems used within the Group have now been harmonised, and are shared by all business lines and subsidiaries except the Satellite companies in which the Group has acquired stakes, some of which still use software other than that used elsewhere in the Group, more adapted to their size.

The various business line IT systems are interfaced with the accounting system in order to ensure that information on transactions is traceable, comprehensive and reliable.

The consolidation system is a standard tool.

5.3.5.2. Risks associated with accounting standards

The Consolidation Department, in conjunction with the Group Financial Controlling Department and the activity and country Financial Controllers, monitors changes in IFRSs and adapts the Group's accounting principles accordingly. It also organises training for finance staff whenever necessary.

5.3.5.3. Main transaction control procedures

In order to ensure the reliability of the financial information on transactions, the Group's Finance Department team verifies each month that the revenue and costs reported are in line with the flows expected at the time the transactions were approved.

The Group Financial Controlling Department draws up regular statistical analyses to ensure that the assumptions made when the lease contracts were recorded are prudent and appropriate.

The subsidiaries' Financial Controlling teams also carry out monthly verifications for each business line.

5.3.6. PERSONS RESPONSIBLE FOR THE PREPARATION OF FINANCIAL INFORMATION

The financial information is prepared under the supervision and responsibility of the Board of Directors, which, since 2004, has had an Audit Committee, the role of which is set out in section 5.5.3 below.

5.4. Ownership structure and limits on shareholder rights

At 31 December 2021, Econocom group's share capital consisted of 222,281,980 shares, held as indicated below:

	2021	2020
Companies controlled by Jean-Louis Bouchard	40.10%	40.36%
Public	43.12%	55.21%
Treasury shares	8.74%	4.43%
Held by the Company's subsidiaries	8.04%	0%
Total	100%	100%

Econocom Group is informed that, apart from the companies controlled by Jean-Louis Bouchard, BIS Bedrijfs Informatie Systemen BV (a Company subsidiary) exceeded 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 share gives its holder the right to cast a vote or, where applicable two votes at General Meetings.

Article 10 of the Company's Bylaws stipulates that the shares are indivisible. If there are several owners of a security, the

Company may suspend the exercise of the related rights until a person is designated as the owner of the security. Treasury shares (8.74%), shares held by the Company's subsidiaries (8.04%) and shares held by the Belgian Caisse des Dépôts et Consignations (0.485%) belonging to bearer shareholders who did not come forward when the Belgian Stock Market converted to electronic shares also have no voting rights. There are no other particular legal or statutory restrictions with respect to voting rights.

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

5.5. Composition and functioning of the administrative bodies and Committees

5.5.1. COMPOSITION OF THE BOARD OF DIRECTORS

At 31 December 2021, the Board of Directors had nine members:

Econocom International BV represented by Jean-Louis Bouchard

(term of office expires at the 2024 Ordinary General Meeting)

Rond Point het Fort 36-40, 2429 MK Nieuwegein (Netherlands)

Chairman of the Board of Directors and Chief Executive Officer of Econocom group

Robert Bouchard

(term of office expires at the 2025 Ordinary General Meeting)

11 Boulevard Flandrin, 75116 Paris (France)

Vice-Chairman of the Board of Directors of Econocom group and non-executive Director of Econocom group

Bruno Grossi

(term of office expires at the 2023 Ordinary General Meeting)

13 Rue Molitor, 75016 Paris (France)

Non-executive Director of Econocom group

Véronique di Benedetto

(term of office expires at the 2025 Ordinary General Meeting)

86 Rue Miromesnil, 75008 Paris (France)

Non-executive Director of Econocom group

Jean-Philippe Roesch

(term of office expires at the 2024 Ordinary General Meeting)

21 Avenue de la Criolla, 92150 Suresnes (France)

Non-executive Director of Econocom group

Adeline Challon-Kemoun

(term of office expires at the 2024 Ordinary General Meeting)

32 Avenue Duquesne, 75007 Paris (France)

Independent Director of Econocom group

Marie-Christine Levet

(term of office expires at the 2024 Ordinary General Meeting)

91 Rue du Cherche-Midi, 75006 Paris (France)

Independent Director of Econocom group

Eric Boustouller

(term of office expires at the 2025 Ordinary General Meeting)

14 Rue du Conseiller Collignon, 75116 Paris

Independent Director of Econocom group

At 31 December 2021, the Board of Directors accordingly comprised:

- an Executive Chairman, Econocom International BV (represented by Jean-Louis Bouchard) appointed on 19 May 2020 to replace Jean-Louis Bouchard. He is tasked with managing the Board of Directors and ensuring its efficient running, by monitoring its size and members and those of its Committees, and ensuring good communication with the Executive Committee to guarantee effective decision-making;
- a Vice-Chairman, Robert Bouchard. The Board appoints one or more Vice-Chairs from its members. In the event that the Chairman is unable to attend, the Vice-Chairman chairs the Board meetings;
- a Chief Executive Director in charge of day-to-day management of Econocom group, Econocom International BV (appointed on 19 May 2020);
- four non-executive Directors, Véronique di Benedetto, Robert Bouchard, Jean-Philippe Roesch and Bruno Grossi. Véronique di Benedetto exercised operational functions within Econocom group companies at 31 December 2021. However, she is not considered to be an executive Director, as this status is reserved for Directors holding executive positions at Econocom group itself, in accordance with a decision of the Board of Directors dated 24 November 2016;
- three Independent Directors within the meaning of article 7:87 §1 and §2 of the Belgian Companies Code, Adeline Challon-Kemoun, Marie-Christine Levet and Eric Boustouller.

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

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

Econocom International BV, which held 60.64% of the voting rights of Econocom group at 31 December 2021, is controlled and represented by Jean-Louis Bouchard. He also has controlling interests in a number of companies outside Econocom group and serves as Manager or Chairman within them. Jean-Louis Bouchard is Chairman of Domaine Fontainebleau en Provence, and Manager of SCI Orphée, SCI de Dion Bouton, SARL Écurie Jean Louis Bouchard, SCI JMB, SCI LBB, SNC Fontainebleau International and SCI Montmorency.

In addition to serving on the Board of Econocom group and its subsidiaries, Bruno Grossi is Manager of Vilnaranda II and Redwood Advisors, Chairman of Vision d'Entreprise and Director of Araxxe.

Robert Bouchard is the permanent representative of GMPC, the legal entity that chairs APL France. He also serves as Chairman of Ecofinance SAS, Manager of GMPC and Co-Manager of SCI Maillot Pergolèse.

In addition to her corporate officer roles at Econocom group and its subsidiaries, Véronique di Benedetto is Chairwoman of SAS Numeya. She is also an Independent Director of Hexaôm, and serves on the Boards of two associations, *i.e.* "Numeum" and "100 000 entrepreneurs".

Jean-Philippe Roesch is Manager of La Criolla and Chairman of Orionisa Consulting.

Marie-Christine Levet is a Director of Maisons du Monde, SoLocal and AFP.

Eric Boustouller has been an Independent Director of Graitec since April 2021.

5.5.2. FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as it deems necessary. In 2021, it met six times. It also made a unanimous written decision.

The table below sets out the attendance of each Director at meetings of the Board and the various Committees in 2021:

	Board of Directors	Audit Committee	Compensation and Appointments Committee
Econocom International BV	6	-	-
Robert Bouchard	6	3	4
Bruno Grossi	6	-	-
Véronique di Benedetto	5	-	-
Gaspard Dürrleman	3	2	-
Jean-Philippe Roesch	6	6	-
Walter Butler	-	1	-
Adeline Challon-Kemoun	6	-	3
Marie-Christine Levet	6	6	4
Eric Boustouller	2	-	-
Total number of meetings	6	6	4

The Board of Directors is responsible for approving the Company's overall strategy proposed by the Chairman, authorising significant projects and ensuring that there are adequate resources to attain its objectives. It is entrusted with decision-making outside the scope of day-to-day management.

The Board of Directors entrusts the Company's operational management to the Executive Committee, within the limits of the powers stipulated in the Internal Rules of the Executive Committee. It also entrusts the day-to-day management to

the Chief Executive Officers or, if applicable, the managing Directors.

The Board appoints the members of the Executive Committee, the Audit Committee and the Compensation and Appointments Committee as well as the Chief Executive Officer(s), and generally ensures that a clear and effective management structure is implemented.

It also oversees the quality of the management duties performed and ensures that they are consistent with the Group's strategic objectives.

The Board may only validly debate and take decisions if at least half of its members are present or represented. Decisions are adopted on the basis of a majority of votes. In the event of a split decision, the person chairing the meeting has the deciding vote. Decisions of the Board of Directors may also be adopted pursuant to the unanimous consent of the Directors, expressed in writing. However, this procedure may not apply in relation to the approval of separate financial statements and the issuance of authorised capital.

5.5.3. COMMITTEES CREATED BY THE BOARD OF DIRECTORS

Pursuant to the Bylaws, the Board of Directors is authorised to set up specific Committees and to determine their tasks and operating rules.

5.5.3.1. Executive Committee

The Board of Directors has set up an Executive Committee, whose creation was ratified by shareholders at the Extraordinary General Meeting of 18 May 2004.

Following the transformation of Econocom group into a European company, the Board of Directors revised the Internal Rules of the Executive Committee on 19 May 2016 and 7 September 2016.

The Board entrusted the Executive Committee with Econocom's operational management, in accordance with article 15:18 of the Belgian Companies Code and 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.

Samira Draoua was appointed member of the Executive Committee by the Board of Directors on 22 September 2021. As of 31 December 2021, was composed of the

following members: Econocom International BV, represented by Jean-Louis Bouchard, Éric Bazile, Angel Benguigui, Philippe Goullioud, Laurent Roudil, Chantal de Vrieze and Samira Draoua.

The Executive Committee meets at least ten times a year.

5.5.3.2. Compensation and Appointments Committee

On 31 August 2011, the Board of Directors set up a Compensation Committee.

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

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

A compensation policy for the Company's executives has been determined by the Board of Directors, on the recommendation of the Compensation and Appointments Committee. This was approved by the General Meeting of 18 May 2021.

The Committee has three members appointed by the Board of Directors for three-year terms that cannot exceed their term as Directors. As of 31 December 2021, it was composed of the following members: Marie-Christine Levet, Adeline Challon-Kemoun and Robert Bouchard and was chaired by Marie-Christine Levet.

The Committee met four times in 2021.

5.5.3.3. Audit Committee

The Audit Committee was created by the Board of Directors on 18 May 2004.

The term of office is three years, provided that it does not exceed the holder's term of office as Director.

The Audit Committee meets as often as required. It met six times in 2021. The members of the Audit Committee invite the Statutory Auditor and any other person deemed useful by the Committee as required by the agenda.

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

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

As of 31 December 2021, it was composed of two non-executive Directors (Robert Bouchard and Jean-Philippe Roesch) and

an Independent Director (Marie-Christine Levet). It was chaired by Robert Bouchard.

5.5.4. DAY-TO-DAY MANAGEMENT

The Board of Directors has entrusted the day-to-day management to a Chief Executive Officer and two managing Directors in accordance with articles 15:18 and 7:121 of the Belgian Companies Code and article 21 of the Bylaws.

As of 31 December 2021, the day-to-day management was entrusted to:

- the Director Econocom International BV, represented by Jean-Louis Bouchard;
- the managing Director Laurent Roudil;
- the managing Director Angel Benguigui Diaz.

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

All major decisions regarding the subsidiaries are made by the relevant body, with the assent of the Chief Executive Officer and/or managing Director in charge of the issue or activity in question. The subsidiaries generally do not have any major decision-making powers other than those concerning day-to-day management. The powers of Group subsidiaries' executives and the limits to these powers are set out in an internal reference document.

5.5.5. IMPLEMENTATION OF PROVISIONS GOVERNING CONFLICTS OF INTEREST

Article 7:96 of the Belgian Companies Code provides for a specific procedure within the Board of Directors to address conflicts of interest involving one or more Directors when it makes decisions or concludes transactions.

This procedure was not implemented during the 2021 financial year.

On 22 November 2012, the Board of Directors also adopted a procedure governing transactions or other contractual relationships between Econocom group and the Directors and members of the Executive Committee when such transactions or other contractual relationships are not covered by the provisions of article 7:96 of the Belgian Companies Code.

Article 7:97 of the Belgian Companies Code was not applied in 2021, nor was the Group's conflict of interest procedure (provided for in the Conflicts of Interest Internal Rules).

5.5.6. IMPLEMENTATION OF THE DIVERSITY POLICY

Econocom's commitments, objectives and actions in respect of diversity, as well as the results of this policy, are described in paragraph 1.1.4 of the "Corporate Social Responsibility" report. They mainly concern gender equality and support for people from disadvantaged backgrounds and people with disabilities.

Since 23 November 2017, one-third of the members of Econocom group's Board of Directors have been women, pursuant to

the conditions set out in article 7:86 of the Belgian Companies Code. At 31 December 2021, the Board had three women members: 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 (Chantal De Vrieze and Samira Draoua), the Audit Committee (Marie-Christine Levet) and the Compensation Committee (Marie-Christine Levet and Adeline Challon-Kemoun).

5.6. Composition of advisory bodies

The Statutory Auditor of Econocom group is EY Réviseurs d'Entreprises SRL, a limited liability company, with its registered office at De Kleetlaan 2, 1831 Machelen, Belgium. It was appointed by the General Meeting of 18 May 2021, for a period of three years expiring automatically at the end of the Ordinary General Meeting to be held in 2024.

The Statutory Auditor of Econocom group is represented by its permanent representative, Romuald Bilem.

5.7. 2021 Compensation report

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

5.7.1. COMPENSATION POLICY FOR DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

5.7.1.1. Procedure adopted to define compensation for Directors and members of the Executive Committee and set their individual compensation

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

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

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

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

1.1 Compensation component

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

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

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

1.2 Appointments component

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

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

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

1.3. Implementation of plans relating to the granting of financial instruments

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

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

The Compensation Committee met four times in 2021.

5.7.2. COMPENSATION PAID IN 2021

5.7.2.1. The Board of Directors

The Bylaws provide for Directors’ fees.

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

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

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

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

	Terms of office in 2021	Nature of compensation
Econocom International BV (EIBV)	Chairman and Chief Executive Officer – represented by Jean-Louis Bouchard	EIBV receives compensation under a service contract ⁽¹⁾
Robert Bouchard	Vice-Chairman non-executive Director	Directors’ fees
Bruno Grossi	Non-executive Director	Directors’ fees
Jean-Philippe Roesch	Non-executive Director	Directors’ fees
Véronique di Benedetto	Non-executive Director	Compensation received as an employee
Gaspard Dürreleman	Non-executive Director	Directors’ fees
Eric Boustouller	Independent Director	Directors’ fees
Walter Butler	Independent Director	Directors’ fees
Adeline Challon-Kemoun	Independent Director	Directors’ fees
Marie-Christine Levet	Independent Director	Directors’ fees

(1) The structure of this compensation is described in Section 5.7.2.5.

5.7.2.2. The Committees

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

5.7.2.3. Executive Directors, non-executive Directors with operational functions and members of the Executive Committee

The compensation of executive Directors, non-executive Directors with operational functions and members of the Executive Committee comply with the compensation policy adopted by the Ordinary General Meeting of 18 May 2021 and includes a significant variable portion, which may reach 50% of the total compensation.

However, this compensation structure does not apply to Econocom International BV, represented by Jean-Louis Bouchard ("EIBV"), whose compensation is discussed in section 5.7.2.5.

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

The variable compensation of executive Directors, non-executive Directors with operational functions and members of the Executive Committee was set in 2021 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 profit (loss) from operating activities, revenue and the net financial debt of the Group and/or areas of responsibility specific to each executive. The other qualitative and quantitative objectives are specific to each Executive Committee member and executive Director, and depend on the scope of their duties and responsibilities.

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

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

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

5.7.2.4. Non-executive Directors

This section sets out the individual compensation and benefits paid directly or indirectly to non-executive Directors by Econocom group or any of the Group's other companies in 2021.

Compensation paid in 2021, including social costs

<i>in €</i>	
Walter Butler	3,000
Bruno Grossi	30,000
Adeline Challon-Kemoun	39,000
Gaspard Dürrleman	21,000
Marie-Christine Levet	60,000
Eric Boustouller	10,000
Jean-Philippe Roesch	48,000
Robert Bouchard	51,000
Total	262,000

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

Until 19 May 2020, Jean-Louis Bouchard served as Chairman of the Board of Directors, Chief Executive Officer 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, will assume 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 €1.4 million to Econocom group and its subsidiaries in 2021 for managing and coordinating the Group. These fees amounted to €1.8 million in 2020.

5.7.2.6. Compensation paid to the executive Directors, non-executive Directors with operational functions and members of the Executive Committee in 2021

This section indicates in aggregate the amount of compensation and other benefits granted directly or indirectly to the Executive Directors (excluding the compensation of the Chairman of the Board of Directors commented on in paragraph 5.7.2.5), to the non-executive Directors exercising an operational function and members of the Executive Committee by Econocom group or a company that is part of the consolidation scope in 2021.

Total compensation paid in 2021, including social costs

<i>in €</i>	
Fixed portion	1,872,132
Variable portion ⁽¹⁾	1,869,117
Pensions, benefits in kind and other compensation ⁽²⁾	55,314
Social costs ⁽³⁾	562,472
Director's fees	-
Total	4,359,035

⁽¹⁾ Including €1,642 thousand for 2020, and paid in 2021.

⁽²⁾ Including €7 thousand for 2020, and paid in 2021.

⁽³⁾ Including €412 thousand for 2020, and paid in 2021.

Total compensation for 2021, including social costs

<i>in €</i>	
Fixed portion	1,872,132
Variable portion ⁽¹⁾	1,861,584
Pensions and other compensation, including benefits in kind ⁽²⁾	46,009
Social costs ⁽³⁾	571,273
Directors' fees	-
Total	4,350,998

⁽¹⁾ Of which €1,634 thousand yet to be paid in 2022. The non-finalised variable portions were recorded on the assumption that 100% of targets were met.

⁽²⁾ Of which €8 thousand yet to be paid in 2022.

⁽³⁾ Of which €101 thousand yet to be paid in 2022.

This information corresponds to the compensation charged. Five of the managers with operational functions were compensated under their employment contract as employees of Econocom group's companies. Two indirectly received compensation through a company controlled by Econocom group, as a corporate officer of an Econocom group company and/or as a service provider. This lump-sum compensation is included in the summary table above.

Three of the executive Directors, non-executive Directors with operational functions and Executive Committee members have a company car.

5.7.3. STOCK OPTIONS AND FREE SHARES GRANTED

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

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

On 21 July 2021, the Board of Directors also allocated 1,800,000 of these performance shares to four of these Executives.

During the year, 300,000 shares were fully vested, 400,000 were cancelled and 50,000 lapsed.

At 31 December 2021, the Executive Directors, non-Executive Directors with operational functions and Executive Committee members held 410,800 stock options entitling them to 821,600 new Econocom Group shares (after the share split) at a total subscription price of €2.5 million, as well as 2,800,000 Econocom Group performance shares which are not yet fully vested.

5.7.4. TERMINATION BENEFITS AND OTHER CONTRACTUAL OBLIGATIONS

The employment contracts of the executive Directors, Executive Committee members and non-executive Directors with operational functions in office at 31 December 2021 contain standard clauses, in particular as regards notice period. They contain no specific clause with respect to pension benefits. Two members of the Executive Committee receive a specific termination benefit (under certain conditions)

5.8. Appropriation of profit and dividend policy

The Board of Directors will recommend that at the General Meeting vote to refund the issue premium considered as paid-in capital, in an amount of €0.14 per share.

This refund represents an increase in the gross compensation per share for Shareholders of 16.7% over one year.

In addition, the Group will also continue its treasury share buyback policy.

5.9. Relations with major shareholders

At 31 December 2021, the number of shares issued by Econocom group totalled 222,281,980, of which Jean-Louis Bouchard held 40.1% *via* Econocom International BV. Shares held in treasury by Econocom group do not carry voting rights, meaning that, at 31 December 2021, Jean-Louis Bouchard held 60.64% of the Company's voting rights, directly and indirectly (excluding treasury shares held under the liquidity agreement).

Relations with the majority shareholder, Econocom International BV, correspond to the provision of standard services on arm's-length terms. In addition, the Econocom group signed lease agreements in France with companies controlled by Jean-Louis Bouchard: SCI Maillot Pergolèse, SCI of Dion Bouton and SCI JMB. These leases were signed on arm's length terms.

5.10. Econocom group employee share ownership

The Group has set up several incentive plans for its personnel, employees, managers and executives. Two stock option plans set up in 2014 and 2017 are still in progress and have given rise to awards each year from 2014 to 2017 and three free share allocation plans approved by the General Meeting in May 2016 has given rise to awards in 2018, 2020 and 2021.

In 2021, 300,000 free shares were definitely transferred by the Board of Directors to an executive, in respect of the 2020 Free Share Plan, thereby resulting in the transfer of the same number of treasury shares. The financial impact for the Group corresponds to the market value of the shares transferred. In 2021, 770,775 stock options were exercised, giving rise to the issue of 1,401,550 new shares and 2,000,000 free shares were granted. A total of 324,000 options were exercised at the end of the year and will result in the issue of 648,000 new shares in January 2022. In addition, 574,845 stock options and 80,000 free shares were lost due to the departure of beneficiaries or the failure to meet individual or collective performance targets.

An updated summary of the Group's commitments in respect of these plans at 31 December 2021 is provided below:

Plan	Year granted	Number of options and corresponding free shares	Number of corresponding shares*	Expiry and vesting date	Exercise price (in € per share)	Exercise price (in € thousands)
2014 subscription options	2014	324,000	648,000	Dec. 2021	2.76	1,788
	2015	236,800	473,600	Dec. 2022	3.87	1,833
		120,000	240,000	Dec. 2022	3,805	913
	2016	40,000	80,000	Dec. 2023	4.786	383
		45,000	90,000	Dec. 2023	6.80	612
2017 subscription options	2017	90,000	90,000	Dec. 2023	6.04	544
Free shares	2018	50,000	50,000	Mar. 2022	-	-
		50,000	50,000	Mar. 2023	-	-
Free shares	2020	600,000	600,000	July 2022	-	-
		300,000	300,000	Sep. 2022	-	-
Free shares	2021	400,000	400,000	July 2022	-	-
		900,000	900,000	July 2023	-	-
		700,000	700,000	July 2024	-	-
Total	-	-	4,621,600	-	-	6,073

* Each one of the options granted prior to the two-for-one share split (in June 2017) entitles the holder to two Econocom Group shares.

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

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

The options may not be transferred and Econocom group does not hedge its exposure to decreases in the share price.

The stock options granted in 2014, 2015 and 2016 are part of a stock option plan approved by the Board of Directors on 17 December 2014. If exercised, these options will result in the issuance of new shares.

The free share plan issued in 2016 was approved by the General Meeting of 17 May 2016. The different awards made as part of this plan were approved by the Board of Directors meetings dated 19 May 2016, 26 February 2018 and 27 December 2018. The vesting of free shares by the beneficiary will result in delivery of existing shares.

The stock options granted in 2017 are part of a stock option plan approved by the Board of Directors on 22 June 2017. If exercised, these options will result in the issuance of new shares.

The free share plan issued in 2020 was approved by the General Meeting of 19 May 2020. The awards made under this plan were approved by the Board of Directors on 27 July 2020 and 21 July 2021.

The 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.

At 31 December 2021, free shares and options which are not fully vested entitle their holders to a total of 4,621,600 Econocom Group shares, including 1,621,600 shares yet to be issued and 3,000,000 existing shares. Of this total, 648,000 new shares were issued in January 2022 following exercises carried out at the very end of 2021. In total, the 4,621,600 shares represented 2.08% of the number of shares issued at the end of the period. Lastly, of the total number of shares corresponding to stock options and free shares granted and not yet exercised, 34.6% 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 €6.1 million.

5.11. Statutory Auditor's fees

<i>in €</i>	31 Dec. 2021	31 Dec. 2020
Statutory Auditor's fees for auditing the financial statements	357,700	358,718
Statutory Auditor's fees or fees for similar assignments performed in the Group by individuals related to the Statutory Auditor	1,125,394	766,500
Fees for non audit-related engagements or specific assessments carried out by the Statutory Auditor for Econocom Group	–	–
Non-audit certification engagements	5,000	–
Tax advisory engagements	–	–
Other non-audit engagements	–	86,000
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	–	106,993
Other non-audit engagements	–	–

5.12. Treasury shares

See section 5.4 above.

6. Subsequent events

Strengthening governance

On 20 January 2022, Econocom announced the strengthening of its governance with the following two appointments at the head of the Group:

- Laurent Roudil as CEO and proposed as Managing Director at the next General Meeting;
- Angel Benguigui as Executive Managing Director.

This strengthening of governance aims to support the Group's ambition to change scale and enter a new phase of growth.

06

consolidated financial statements

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1. Consolidated income statement and earnings per share

For the years ended 31 December 2021 and 31 December 2020

<i>in € millions</i>	Notes	2021	2020 restated*
Revenue from continuing operations	4.1	2,504.7	2,520.7
Operating expenses		(2,371.2)	(2,403.2)
Cost of sales		(1,757.2)	(1,777.2)
Personnel costs	4.2	(469.3)	(465.1)
External expenses	4.4	(114.7)	(127.2)
Depreciation, amortisation and provisions	4.5	(35.0)	(39.1)
Net impairment losses on current and non-current assets	4.6	9.1	6.3
Taxes (other than income taxes)		(8.5)	(9.8)
Other operating income and expenses	4.7	4.1	9.8
Financial income – operating activities	4.8	(0.3)	(0.8)
Profit (loss) from continuing operations before amortisation of intangible assets from acquisitions		135.7	119.6
Profit (loss) from continuing operations		133.5	117.5
Other non-recurring operating income and expenses	5	(14.3)	(35.8)
Operating profit		119.2	81.7
Other financial income and expenses	6	(9.8)	(13.2)
Profit before tax		109.4	68.5
Income tax expense	7	(31.7)	(18.2)
Profit from continuing operations		77.7	50.3
Share of profit (loss) of associates and joint ventures		(0.1)	0.1
Profit (loss) from discontinued operations	2.2.4	(7.4)	(0.1)
Profit for the period		70.1	50.2
Non-controlling interests		4.7	3.4
Profit for the period attributable to owners of the parent		65.5	46.8
Recurring net profit attributable to owners of the parent⁽¹⁾		80.5	68.7

<i>Earnings per share attributable to owners of the parent (in €)</i>	Notes	2021	2020 restated*
Basic earnings per share – continuing operations		0.38	0.22
Basic earnings per share – discontinued operations	2.2.4	(0.04)	(0.00)
Basic earnings per share	8	0.34	0.22
Diluted earnings per share – continuing operations		0.35	0.21
Diluted earnings per share – discontinued operations	2.2.4	(0.03)	(0.00)
Diluted earnings per share	8	0.32	0.21
Recurring net earnings per share ⁽¹⁾	8	0.42	0.32

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to “Profit (loss) from discontinued operations” in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now recognised in profit (loss) from current operating activities (see 1.2.2.).

⁽¹⁾ Recurring net profit attributable to owners of the parent has been the key performance indicator used by Econocom to assess its economic and financial performance. It does not include:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other non-recurring operating income and expenses, net of tax effects;
- other non-recurring financial income and expense, net of tax effects;
- profit from discontinued operations.

A table showing the reconciliation of profit attributable to owners of the parent with recurring profit attributable to owners of the parent is included in section 2.1 of the Management Report.

Consolidated statement of comprehensive income

<i>in € millions</i>	2021	2020
Profit for the period	70.1	50.2
Items that will not be reclassified to profit or loss	2.6	(1.1)
Remeasurements of the net liabilities (assets) under defined benefit plans	3.5	(1.4)
Deferred income tax expense on the remeasurement of the liabilities (assets) for defined benefit plans	(0.9)	0.3
Items that may be reclassified to profit or loss	2.8	(4.6)
Change in value of cash flow hedges	0.6	(0.2)
Deferred tax arising on change in value of cash flow hedges	(0.1)	0.1
Foreign currency translation adjustments	2.4	(4.4)
Other comprehensive income (expense)	5.4	(5.7)
Total comprehensive income for the period	75.6	44.5
Attributable to non-controlling interests	4.9	3.2
Attributable to owners of the parent	70.7	41.3

2. Consolidated statement of financial position

Asset

<i>in € millions</i>	Notes	31 Dec. 2021	31 Dec. 2020
Non-current assets			
Intangible assets	10.1	43.9	47.6
Goodwill	9	494.9	499.5
Property, plant and equipment	10.2	31.8	35.2
Rights of use	10.2	55.0	54.7
Long-term financial assets	10.3	29.5	30.5
Residual interest in leased assets	11.1	128.0	134.3
Other long-term receivables	10.4	23.3	24.5
Deferred tax assets	7.2	38.0	37.8
Total non-current assets		844.4	864.2
Current assets			
Inventories	12.1	122.6	76.7
Trade and other receivables*	12.2	796.4	894.1
Residual interest in leased assets	11.1	42.7	40.9
Current tax assets		10.9	12.6
Contract assets	12.2	19.7	17.4
Other current assets	12.2	27.1	30.4
Cash and cash equivalents	14.1	405.9	649.3
Assets held for sale	2.2.4	69.0	74.3
Total current assets		1,494.3	1,795.7
Total assets		2,338.7	2,659.8

* Of which self-funded outstanding rentals: €208.3 million at 31 December 2021 versus €185.9 million at 31 December 2020.

Liabilities

<i>in € millions</i>	Notes	31 Dec. 2021	31 Dec. 2020
Share capital		23.7	23.5
Additional paid-in capital and reserves		296.7	335.8
Profit for the period attributable to owners of the parent		65.5	46.8
Equity attributable to owners of the parent	15	385.9	406.1
Non-controlling interests	15.4	58.4	66.9
Total equity		444.3	472.9
Non-current liabilities			
Bonds*	14.2	194.3	248.7
Financial liabilities*	14.2	108.3	75.9
Gross liability for purchases of leased assets	11.2	75.3	75.9
Long-term lease liabilities		40.7	35.0
Other financial liabilities**	2.4	9.6	48.5
Provisions	16	5.0	11.5
Provisions for pensions and other post-employment benefit obligations	17	36.5	41.8
Other non-current liabilities	12.5	9.3	6.6
Deferred tax liabilities	7.2	16.3	11.8
Total non-current liabilities		495.4	555.8
Current liabilities			
Bonds*	14.2	57.7	139.9
Financial liabilities*	14.2	112.4	164.5
Gross liability for purchases of leased assets	11.2	22.8	27.8
Short-term lease liabilities		18.0	22.5
Other financial liabilities**	2.4	47.1	13.4
Provisions	16	26.9	37.7
Current tax liabilities		17.2	13.2
Trade and other payables	12.3	882.0	992.1
Contract liabilities	12.4	52.1	62.9
Other current liabilities	12.4	132.1	127.5
Liabilities held for sale	2.2.4	30.7	29.5
Total current liabilities		1,399.0	1,631.1
Total equity and liabilities		2,338.7	2,659.8

* Taking into account the cash and cash equivalents of €405.9 million as of 31 December 2021 (and €649.3 million as of 31 December 2020) and bonds loans and financial debt, the balance sheet shows net financial debt of €66.8 million at 31 December 2021 (compared to a cash surplus of €20.2 million at 31 December 2020); these financial liabilities include in particular €208.3 million at 31 December 2021 (and €185.9 million at 31 December 2020) corresponding to self-funded TMF contracts and the expected associated lease payments.

** Corresponds to contingent acquisition-related liabilities.

3. Consolidated statement of changes in equity

<i>in € millions</i>	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2019	245,380,430	23.5	213.6	(90.9)
Impact on changes in accounting standards or policies				
Balance at 1 January 2020		23.5	213.6	(90.9)
Profit for the year				
Other comprehensive income (expense), net of tax				
Total comprehensive income for 2020				
Share-based payments				
Refund of issue premiums/Compensation of shareholders				
Capital increase				
Net treasury share transactions	(24,500,000)			67.9
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 15)				
Balance at 31 December 2020	220,880,430	23.5	213.6	(23.0)

<i>in € millions</i>	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2020	220,880,430	23.5	213.6	(23.0)
Impact on changes in accounting standards or policies*				
Balance at 1 January 2021				
Profit for the year				
Other comprehensive income (expense), net of tax				
Total comprehensive income for 2021				
Share-based payments				
Refund of issue premiums/Compensation of shareholders			(22.5)	
Capital increase	1,401,550	0.2	3.7	
Net treasury share transactions				(83.0)
Put and call options on non-controlling interests – Change in fair value				
Put and call options on non-controlling interests – Initial recognition				
Other transactions and transactions with an impact on non-controlling interests (see note 15)				
Balance at 31 December 2021	222,281,980	23.7	194.8	(106.0)

* In connection with the IFRIC decision of April 2021 on employee benefits (see 1.1.1.)

Consolidated reserves and retained earning	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
270.6	(6.5)	410.3	73.6	483.9
		-		-
270.6	(6.5)	410.3	73.6	483.9
46.8		46.8	3.4	50.2
	(5.5)	(5.5)	(0.2)	(5.7)
46.8	(5.5)	41.3	3.2	44.5
1.3		1.3	-	1.3
(25.7)		(25.7)		(25.7)
		-		-
(93.5)		(25.6)		(25.6)
(0.2)		(0.2)		(0.2)
		-		-
4.8		4.8	(10.1)	(5.3)
204.0	(12.0)	406.1	66.9	472.9
Consolidated reserves and retained earning	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
204.0	(12.0)	406.1	66.9	472.9
	0.9	0.9		0.9
203.9	(11.1)	407.0	66.9	473.8
65.5		65.5	4.7	70.1
	5.2	5.2	0.2	5.4
65.5	5.2	70.7	4.9	75.6
1.9		1.9		1.9
		(22.5)		(22.5)
		3.9		3.9
		(83.0)		(83.0)
9.6		9.6	(12.6)	(3.0)
		-		-
(1.6)		(1.6)	(0.7)	(2.4)
279.3	(5.9)	385.9	58.4	444.3

4. Consolidated statement of cash flows

<i>in € millions</i>	Notes	2021	2020 restated*
Profit from continuing operations		77.7	50.3
Provisions, depreciation, amortisation and impairment	18.1.1	17.6	44.5
Elimination of the impact of residual interest in leased assets	18.1.1	5.7	(3.3)
Other non-cash expenses (income)	18.1.1	(10.1)	(20.3)
Cash flows from operating activities after cost of net debt and income tax		90.9	71.2
Income tax expense	7	31.7	18.2
Cost of net debt	18.1.2	10.6	11.9
Cash flows from operating activities before cost of net debt and income tax		133.1	101.3
Change in working capital requirement (b), of which:	18.1.3	(44.4)	135.5
<i>Net investments in self-funded TMF contracts</i>		(22.4)	52.6
<i>Other changes in working capital requirement</i>		(22.0)	82.9
Tax paid before tax credits (c)		(25.3)	(14.0)
Net cash flows from (used in) operating activities (a + b + c = d)	18.1	63.4	222.7
Acquisition of tangible and intangible assets		(18.8)	(16.4)
Disposal of tangible and intangible assets		3.5	3.5
Acquisition of non-current financial assets		(8.2)	(2.7)
Disposal of non-current financial assets		10.7	1.4
Acquisition/disposal of companies and businesses, net of cash acquired/disposed		6.2	140.4
Net cash from (used in) investing activities (e)	18.2	(6.6)	126.2

* In accordance with IFRS 5, the restatement of the 2020 figures reflects the reclassification of operations considered discontinued in 2021 to "Net change in cash and cash equivalents from discontinued operations".

<i>in € millions</i>	Notes	2021	2020 restated*
OCEANE buybacks		(3.3)	(9.7)
Capital increase		4.6	-
Purchases of treasury shares (net of sales)		(82.9)	(25.6)
Payments to shareholders during the period		(23.9)	(25.7)
Changes in refinancing liabilities on lease contracts and liabilities on own-booked contracts		(13.1)	(13.8)
Increase in financial liabilities		174.7	45.1
Decrease in financial liabilities		(226.9)	(56.0)
Net change in commercial paper		(97.5)	(159.5)
Main components of payments coming from leases		(20.3)	(24.7)
Interest paid		(7.9)	(12.1)
Net cash from (used in) financing activities (f)	18.3	(296.5)	(281.9)
Impact of exchange rates on cash and cash equivalents (g)		1.4	(1.9)
Net change in cash and cash equivalents from discontinued operations (h)	2.2.4	(4.5)	7.9
Change in net cash and cash equivalents (d + e + f + g + h)		(242.7)	72.9
Net cash and cash equivalents at beginning of period⁽¹⁾	14.1/18	648.5	575.6
Change in cash and cash equivalents		(242.7)	72.9
Net cash and cash equivalents at end of period⁽¹⁾	14.1/18	405.9	648.5

* In accordance with IFRS 5, the restatement of the 2020 figures reflects the reclassification of operations considered discontinued in 2021 to "Net change in cash and cash equivalents from discontinued operations".

⁽¹⁾ Net of bank overdrafts: €0.0 million at 31 December 2021 and €0.8 million at 31 December 2020.

Key movements in the consolidated statement of cash flows are explained in note 18.

5. Notes to the consolidated financial statements

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1. Basis of preparation of the financial statements

The consolidated financial statements of Econocom group ("the Group") for the year ended 31 December 2021 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 (*societas Europaea*) with its registered office at Place du Champ de Mars, 5, 1050 Brussels.

The Company is registered with the Brussels companies registry under number 0422 646 816 and is listed on Euronext in Brussels.

The Board of Directors meeting of 14 February 2022 adopted and authorised the publication of the consolidated financial statements for the year ended 31 December 2021. These financial statements will be submitted for approval at the General Meeting of 31 March 2022.

1.1. Guidelines applied

As required by European Commission Regulation no.1606/2002 dated 19 July 2002, Econocom's consolidated financial statements for the 2021 financial year have been prepared in accordance with the International Financial reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The accounting principles applied at 31 December 2021 are the same as those used for the year ended 31 December 2020, except for the new standards and interpretations applicable as of 1 January 2021 (see 1.1.1.) and changes in presentation and methods (see 1.2.2).

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 (International Accounting Standards Board) or 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_en](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en)**

1.1.1. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND APPLICABLE AT 1 JANUARY 2021

The standards, amendments to standards and interpretations, published by the IASB and presented below are mandatory since 1 January 2021.

The following standards did not have a material impact on the Group's financial statements:

- amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 as part of the reform benchmark rates;
- amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021";
- amendments to IFRS 4 "Extension of the temporary exemption from applying IFRS 9 'Financial instruments'";
- IFRIC decision of April 2021, relating to the allocation of benefits to periods of service rendered by beneficiaries of post-employment benefit plans (impacts on certain IDR/IFC pension plans in France). The impact amounting to €0.9 million was restated in 2021 shareholders' equity at beginning of period;
- IFRIC decision of March 2021, relating to the treatment of the costs of implementing a SaaS (Software as a Service) contract; the impacts are currently under review.

1.1.2. 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:

- amendments to IAS 37 "Onerous Contracts – Cost of fulfilling a contract", mandatory from 1 January 2022;

- amendment to IFRS 3 "Reference to the conceptual framework", mandatory from 1 January 2022;
- annual improvements for 2018-2020, mandatory from 1 January 2022:
 - ▶ IAS 41 – Taxation in fair value measurements,
 - ▶ IFRS 9 – Fees and cost included in the 10 per cent test for derecognition of financial liabilities,
 - ▶ IFRS 16 – Extension of practical expedient;
- amendment to IAS 1, presentation of financial statements: classification of Liabilities as Current or Non-current, mandatory from 1 January 2023;
- amendment to IAS 1, disclosure of Accounting Policies and amendment to IFRS Practice Statement 2 "Making materiality judgements", mandatory from 1 January 2023;
- amendment to IAS 8, definition of Accounting Estimates, mandatory from 1 January 2023;
- amendment IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture";
- amendments to IAS 16 "Property, plant and equipment – Proceeds before intended use", mandatory from 1 January 2022;
- IFRS 17 "Insurance contracts", the application of which is mandatory from 1 January 2023;
- amendments to IAS 12 "Tax related to Assets and Liabilities arising from a Single Transaction".

The Group is currently in the process of assessing any impacts of the first application of these texts.

1.2. Basis for preparation and presentation of the consolidated financial statements

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.

1.2.1. 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.

1.2.2. CHANGES IN PRESENTATION AND ACCOUNTING POLICIES

Outside the standards, amendments, and interpretations adopted by the European Union and applicable on 1 January 2021, the Group decided to change the accounting method for expenses related to factoring and reverse factoring operations, these costs are now presented in “Profit (loss) from current operating activities”.

As provided for in IAS 8, this change in method is retrospective for the whole of the 2021 financial year as well as comparative years.

The impact of this change in accounting method on the 2020 financial year was €2.8 million on “Operating financial

income” and “Other financial expenses and income” in the income statement.

1.2.3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Econocom group’s consolidated financial statements requires the use of estimates and assumptions by Management which may affect the book value of certain items in assets and liabilities, income and expenses, and the information disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are made on the basis of past experience and other elements considered realistic or reasonable, and are a basis for the exercise of judgment in determining the book value of assets and liabilities.

The Group uses discount rate assumptions (based on market data) to estimate assets and liabilities.

Group Management regularly reviews its estimates and assumptions in order to ensure that they accurately reflect both past experience and the current economic situation.

Depending on changes in these assumptions, the items in its financial statements could differ significantly, which would affect the value of assets, liabilities, equity or the income statement. The impact of changes in accounting estimates is recognised in the period in which the change occurred and all future affected periods.

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:

- the valuation and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill and any counterparties thereof;
- the amount of provisions for risks and other provisions related to the activity as well as;

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- the assumptions used to calculate employee benefit obligations and share-based payments;
- the valuation of the Group's residual interests in leased assets;
- the amounts of deferred tax assets and liabilities as well as the current tax expense;
- the valuation methods for identifiable assets and liabilities acquired as part of business combinations;
- determining the fair value of financial instruments.

For these estimates, the Group applies the following accounting policies:

- impairment of goodwill (note 9.3): each year, the Group reviews the value of the goodwill in its consolidated financial statements and when there is an indication of impairment during the financial year. These impairment tests are particularly sensitive to medium-term financial projections and to the discount rates used to estimate the value in use of CGUs;
- provisions (note 16): 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;

- the measurement of provisions for pensions (see note 17): an actuary calculates the provision for retirement benefits using the projected unit credit method. This calculation is particularly sensitive to assumptions regarding the discount rate, salary increase rate and employee turnover rate;
- the valuation of the stock options and free shares granted since November 2002: 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 15.3.1);
- assessments of the probability of recovering the tax loss carryforwards and tax credits of the Group's subsidiaries (see note 7 on tax loss carry forwards);
- the valuation of the Group's residual interest in leased assets: this valuation is performed using the method described in note 11.1 and verified each year using statistical methods.

In addition, the Group is required to exercise critical judgment to determine:

- the valuation of the Group's residual interests in leased assets;
- the qualification of dealer-lessor in sale & lease-back 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.

Although the Econocom group has operations in the United Kingdom, the Group has not identified any impacts related to Brexit.

2. Basis and scope of consolidation

2.1. Accounting principles related to the scope of consolidation

2.1.1. BASIS OF CONSOLIDATION

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 its equity investments in associates and joint-ventures 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 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.

Investments in associates and joint ventures are consolidated using the equity method. Under this method, the investment is initially recognised at cost and adjusted to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. If the Group's share in an associate's losses is greater than its investment in that associate, the Group ceases to recognise its share in future losses. Additional losses are only recognised if the Group is under a legal or constructive obligation to do so or if it has made payments on behalf of the associate.

2.1.2. BUSINESS COMBINATIONS (AND GOODWILL)

Acquisitions of businesses are accounted for using the acquisition method, 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.

The Group may choose whether to measure non-controlling interests at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Acquisition-related expenses are expensed as incurred.

Measuring business combinations (or goodwill)

The difference between the consideration transferred and the acquirer's share in the fair value of the identifiable assets and liabilities and contingent liabilities at the acquisition date is recognised in goodwill on a separate line in the financial statements. These items may be adjusted within 12 months of the acquisition date (measurement period). Any contingent consideration due is recognised at its acquisition-date fair value and included in the cost of the combination. Subsequent changes in the fair value of contingent consideration are taken to profit or loss.

Acquisitions carried out on favourable terms

If, after remeasurement, the net of the acquisition-date amounts of the identifiable assets acquired and the financial debt assumed in a business combination exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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:

- at fair value, resulting in the recognition of additional goodwill (the "full goodwill" method); or
- at the non-controlling interest's proportionate 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 depreciation losses, determined in accordance with the method described in note 9.3.

Goodwill impairment losses are recorded under “Non-recurring operating income and expenses” within profit (loss) from operating activities in the consolidated income statement.

2.1.3. TRANSLATION OF FOREIGN CURRENCIES

2.1.3.1. Functional currency and presentation currency

The items in the financial statements of each Group entity are measured using the currency of the primary economic environment (or “functional currency”) in which the entity operates.

The consolidated financial statements presented in this report were prepared in euros, which is the Group’s presentation currency.

2.1.3.2. Recognition of foreign currency transactions

For the purpose of preparing the financial statements of each entity, foreign currency transactions of subsidiaries (*i.e.*, currencies other than the entity’s functional currency) are recorded using the exchange rates prevailing at the transaction date.

Monetary items denominated in foreign currencies are translated at the end of each reporting period at the year-end rate. Foreign exchange gains and losses resulting from this translation at year-end

exchange rates, or arising on the settlement of these monetary items, are recognised in the income statement for the period in which they occur.

Non-monetary items denominated in foreign currencies and recognised at fair value are translated using the exchange rate prevailing at the date the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are not remeasured.

When a gain or loss on a non-monetary item is recognised directly in equity, the “currency” component of this gain or loss is also recognised in equity. Otherwise, this component is recognised in profit or loss for the period.

2.1.3.3. Translation of the financial statements of foreign entities

The results and financial positions of the Group’s entities with functional currencies other than the presentation currency are translated into euros as follows:

- balance sheet items other than equity are translated at the year-end exchange rate;
- income statement and statement of cash flow items are translated at the average exchange rate for the year;
- all resulting exchange differences are recognised under “Foreign currency translation adjustments” within other comprehensive income;

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	2021	2020
Canadian dollar	1.4358	1.5633
Pound sterling	0.8400	0.8990
Moroccan dirham	10.5194	10.8715
Polish zloty	4.5816	4.5597
American dollar	1.1368	1.2271

Average exchange rate	2021	2020
Canadian dollar	1.4847	1.5306
Pound sterling	0.8613	0.8847
Moroccan dirham	10.6417	10.8276
Polish zloty	4.5607	4.4474
American dollar	1.1833	1.1452

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 a liability corresponding to the exercise price of put options granted to non-controlling shareholders of the entities concerned. The offsetting entry for this liability is deducted from equity.

The difference between the Group's liability under put options and the book value of the non-controlling interests is recognised as a deduction from equity attributable to owners of the parent. Put options are remeasured each year; any subsequent changes in the option relating to changes in estimates or to the unwinding of the discount on the option are also recognised in equity.

Changes in the liability under put options on non-controlling interests are accounted for in line with the treatment applied upon the acquisition of non-controlling interests (see 2.1.2.).

If the option expires without being exercised, the book value of the financial liability is reclassified to equity.

2.1.5. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations requires a specific accounting treatment and presentation of assets held for sale and discontinued operations (corresponding to operations that have been disposed of or classified as held for sale).

A non-current asset or group of directly related assets and liabilities, is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or asset group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to the sale and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

These assets (or disposal group) are measured at the lower of their carrying amount and estimated sale price less costs to sell. These assets cease to be amortised from the moment they qualify as “assets (or group of assets) held for sale”. They are presented on a separate line on the Group statement of financial position, without restatement of previous periods.

An operation discontinued, sold, or held for sale is defined as a component of an entity with cash flows that can be clearly distinguished from the rest of the entity and which represents a major, separate line of business or area of operations. For all published periods, income and expense relating to discontinued operations are

presented separately in the income statement under “Profit (loss) from discontinued operations” and are restated in the statement of cash flows.

Profit 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 from discontinued operations includes:

- the post-tax profit or loss of discontinued operations generated up until the disposal date, or until the end of the reporting period if the business was not disposed of by the year-end;
- the post-tax gain or loss recognised on the disposal of continued operations that have been disposed of by the year-end.

2.2. Changes in the scope of consolidation

Econocom group’s scope of consolidation is presented in note 2.3 “Main consolidated companies”.

2.2.1. ACQUISITIONS DURING THE YEAR

Groupe Trams

On 20 July 2021, the Group acquired a majority stake of 60% in Trams Ltd, one of Apple’s main B2B resellers in the United Kingdom.

So-IT

At the end of December 2021, Exaprobe acquired So-IT, a specialist in network integration and security. It will be fully consolidated from 1 January 2022.

2.2.2. CHANGES IN OWNERSHIP INTEREST

Infeeny

The Group has exercised all of its call options regarding minority shareholders; Infeeny is now wholly-owned at 31 December 2021.

2.2.3. CREATION OF COMPANIES

Abeilles Financement and Caroline 89

As part of the financing of the two tugs acquired by Les Abeilles in June 2021, two special purpose entities were created; the Group consolidated them at that date, considering that it controls them within the meaning of IFRS 10 although it does not hold the shares.

Aciernet France

At the end of December 2021, an operational subsidiary was created by Exaprobe, which holds all of its shares. It will be fully consolidated from 1 January 2022.

Atos Finance Solutions

On 30 June 2021, the Group created a company with the Atos Group. The Econocom Group holds an 85% stake in this company.

Grupo Econocom Espana

At the end of December 2021, a holding company was created in Spain. It is fully-owned by the Group.

2.2.4. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE, DISCONTINUED OPERATIONS

In 2021, the Board of Directors updated the list with some non-strategic activities and

entities intended to be discontinued or disposed of. Consequently, the 2020 income statement and cash flows statement have been restated in order to ensure comparability of periods.

Impacts on the income statement and statement of cash flows

The net income from these activities is presented on a distinct line of the income statement, under "Net income from discontinued operations". In accordance with IFRS 5, comparative figures are restated. The application of IFRS 5 impacts the 2021 and 2020 consolidated income statements as follows:

<i>in € millions</i>	2021	2020 restated*
Revenue from operating activities	62.1	135.2
Operating expenses**	(69.8)	(133.7)
Profit (loss) from continuing operations	(7.7)	1.5
Other non-recurring operating income and expenses	0.7	2.9
Operating profit	(7.0)	4.3
Other financial income and expenses	(0.8)	(0.6)
Profit before tax	(7.8)	3.8
Income tax expense	0.4	(3.9)
Profit (loss) from discontinued operations	(7.4)	(0.1)

* In addition to the changes in the list of discontinued companies, the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now recognised in profit (loss) from current operating activities (see 1.2.2.).

** In accordance with IFRS 5, non-current assets were not amortised, amortisations which would have represented €6.9 million in 2021, versus €8.8 million in 2020.

Cash flows from discontinued operations are also presented on a separate line of the statement of cash flows. In accordance with IFRS 5, comparative figures are

restated. The application of IFRS 5 impacts the 2021 and 2020 consolidated cash flow tables as follows:

<i>in € millions</i>	2021	2020 restated*
Net cash flows from (used in) operating activities	(6.4)	1.2
Net cash flows from (used in) investing activities	(0.6)	7.3
Net cash flows from (used in) financing activities	5.3	(0.5)
Impact of change in exchange rate and changes in method	(2.7)	-
Net cash flows from (used in) discontinued operations	(4.5)	7.9

* In accordance with IFRS 5, the restatement of the 2020 figures reflects the reclassification of operations considered discontinued in 2021 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 2021 and 31 December 2020, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Goodwill	6.1	6.0
Non-current assets	30.1	27.1
3Current assets	27.9	34.6
Cash and cash equivalents	4.8	6.6
Assets held for sale	69.0	74.3
Non-current liabilities	2.8	5.6
Current liabilities	27.9	23.8
Liabilities held for sale	30.7	29.5

2.2.5. ADJUSTMENTS TO ACQUISITIONS MADE IN THE PREVIOUS FINANCIAL YEAR

There was no significant adjustment on the acquisitions of the previous year.

2.2.6. DISPOSALS/LIQUIDATIONS FOR THE FINANCIAL YEAR

Aragon eRH

In February 2021, the Group sold all of the shares in Aragon eRH to Career Booster. The capital gain is recognised in the income statement under "Profit (loss) from discontinued operations".

Econocom Austria

Following the discontinuation of the Company's operations, the Group decided not to consolidate it as from the 1 June. The income from the deconsolidation is recognized in the income statement under "Income from discontinued operations".

JTRS

In June 2021, the Group entered into an agreement to sell its entire stake in JTRS, which was consolidated under associates and joint ventures and was removed from the scope of consolidation as of the 1 June.

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Econocom Brazil and its subsidiaries

At the end of September 2021, the Group sold its subsidiary Econocom Brazil mainly to its local manager. The capital gain on the disposal is recognised in the income statement under “Profit (loss) from discontinued operations”.

Alter Way

In October 2021, the Group sold its shares in Alter Way to the Smile Group. The capital gain on the disposal is recognized in the income statement under the line “other non-recurring income and expenses”.

Fifty-eight France

Following the discontinuation of its operations, Fifty-eight was liquidated in July 2021.

Gigigo Mobile Service

Econocom Products & Solutions SL absorbed Gigigo Mobile Service with retroactive effect from 1 January 2021.

2.3. List of consolidated companies

The Group's main fully consolidated subsidiaries were as follows:

Country	Name	Cities/ Registration number	2021		2020	
			% interest	% control	% interest	% control
Holdings						
Belgium	Econocom Finance SNC	Brussels / 0830.430.556	100.00%	100.00%	100.00%	100.00%
Spain	Grupo Econocom Espana	Madrid	100.00%	100.00%	-	-
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 tecnologia	Sao-Paulo	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Products & Solutions Belux SA/NV	Brussels / 0426.851.567	100.00%	100.00%	100.00%	100.00%
Spain	Altabox	Gijón	80.01%	80.01%	80.01%	80.01%
Spain	Econocom Products & Solutions SL (formerly Caverin)	Madrid	100.00%	100.00%	100.00%	100.00%
Spain	Gigigo Mobile Services SL ⁽³⁾	n/a	-	-	100.00%	100.00%
France	Econocom Products & Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France/US/ Canada Singapore	Exaprobe/Aciernet group	Le Plessis-Robinson	80.00%	80.00%	80.00%	80.00%
Italy	Asystel Italia	Milan	70.00%	70.00%	70.00%	70.00%
Italy	BDF	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom PSF SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Mexico	Gigigo Mexico Srl de CV	Mexico	100.00%	100.00%	100.00%	100.00%
Netherlands, Belgium	BIS group	Ridderkerk	100.00%	100.00%	100.00%	100.00%
UK	Groupe Trams	London	60.00%	60.00%	-	-
UK	JTRS ⁽¹⁾	n/a	-	-	45.00%	45.00%
Services						
Austria	Econocom Austria GmbH	n/a	-	-	100.00%	100.00%
Belgium	Econocom Belgium SA/NV ⁽⁴⁾	n/a	-	-	100.00%	100.00%
Belgium	Econocom Digitalent SA/NV	Brussels / 0671.649.180	100.00%	100.00%	100.00%	100.00%
Netherlands, Belgium	Econocom Managed Services	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%
Brazil	Econocom Brazil group	n/a	-	-	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%

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Country	Name	Cities/ Registration number	2021		2020	
			% interest	% control	% interest	% control
France	Alcion	Le Plessis-Robinson	99.48%	99.48%	99.48%	99.48%
France	Alter Way group	n/a	-	-	64.45%	64.45%
France	Aragon eRH	n/a	-	-	100.00%	100.00%
France	ASP Serveur SAS	La Ciotat	100.00%	100.00%	100.00%	100.00%
France	Digital Dimension SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Econocom Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	ESR SAS	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Fifty-eight SA	n/a	-	-	100.00%	100.00%
France	Helis Group	Paris	63.02%	63.02%	63.02%	63.02%
France	Infeeny	Puteaux	100.00%	100.00%	93.77%	93.77%
France	Econocom Apps. cloud & data	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Econocom Infogérance Systèmes	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
Italy/Poland	Bizmatica group	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg, France, Germany, Romania, USA/Ita./Spain	SynerTrade group	Luxembourg	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Maroc SARL	Rabat	100.00%	100.00%	100.00%	100.00%
		Technology Management & Financing				
Germany	Econocom Deutschland GmbH	Franckfurt	100.00%	100.00%	100.00%	100.00%
Germany	Econocom Deutschland Holding GmbH	Franckfurt	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%
USA	Econocom Corporation	Wilmington New Castle Country	100.00%	100.00%	100.00%	100.00%
France	Abeilles Financement ⁽²⁾	Paris	0.00%	100.00%	-	-
France	Caroline 89 ⁽²⁾	Paris	0.00%	100.00%	-	-
France	Atlance SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Atos Finance Solutions	Puteaux	85.00%	85.00%	-	-
France	Econocom France SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	GIE Econocom Enterprise Solutions	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%
Ireland	Econocom Digital Finance Limited	Dublin	100.00%	100.00%	100.00%	100.00%

Country	Name	Cities/ Registration number	2021		2020	
			% interest	% control	% interest	% control
Italy	Econocom International Italia SpA	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Luxembourg SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Ré SA Luxembourg	Luxembourg	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Location Maroc SA	Casablanca	100.00%	100.00%	100.00%	100.00%
Mexico	Econocom Mexico SA de CV	Mexico	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Financial Services International BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Nederland BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Public BV	Utrecht	100.00%	100.00%	100.00%	100.00%
Poland	Econocom Polska SP zoo	Warsaw	100.00%	100.00%	100.00%	100.00%
Czech Republic	Econocom Czech Republic Sro	Prague	100.00%	100.00%	100.00%	100.00%
Romania	Econocom International Romania Srl	Bucharest	100.00%	100.00%	100.00%	100.00%
Switzerland	Econocom Switzerland SA	Lugano	100.00%	100.00%	100.00%	100.00%
UK	Econocom Ltd	Richemond Upon Thames	100.00%	100.00%	100.00%	100.00%

(1) JTRS was consolidated under the equity method as of 31 December 2020.

(2) Entities consolidated as special purpose entities.

(3) Gigigo Mobile Services SL merged with Econocom Products & Solutions SL with retroactive effect from 1 January 2021.

(4) Econocom Belgium SA/NV merged with the Belgian entity Econocom Managed Services with retroactive effect from 1 April 2021.

2.4. Contingent acquisition-related liabilities

The contingent acquisition-related liabilities include options to commit to buy back non-controlling interests, contingent consideration and deferred payments, most of which have been granted subject to attainment of future financial targets. They are thus dependent on the estimated future performance of the entities concerned (e.g. EBIT multiples, expected future cash flows, etc.).

At the end of 2021, the Group has call options (and non-controlling shareholders

have put options) on the remaining shares it does not already own, allowing it to acquire all or part of the share capital of the following entities: Altabox, Asystel Italia, Bizmatica, Exaprobe, Helis, 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:

<i>in € millions</i>	Put and call options on non-controlling interests	Contingent consideration	Deferred payments	Total contingent acquisition-related liabilities	Current portion	Non-current portion
31 Dec. 2020	50.9	4.8	6.3	61.9	13.4	48.5
Disposals and IFRS 5	(6.5)	-	-	(6.5)		
Increases against equity or goodwill	8.1	-	-	8.1		
Disbursements	(0.7)	(3.2)	(5.6)	(9.5)		
Change in fair value through equity	3.0	-	-	3.0		
Reclassification/Others	(0.2)	-	-	(0.2)		
Change in fair value through profit (loss) from non-current operating activities	-	-	-	-		
Change in fair value through profit (loss) from current operating activities	-	-	-	-		
31 Dec. 2021	54.6	1.5	0.6	56.7	47.1	9.6

Put options on non-controlling interests are classified in "Other liabilities", with changes in fair value recognised in equity.

Contingent consideration and deferred payments are classified within financial liabilities (see note 13.3).

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.).

2.5. Main impacts of the Covid-19 pandemic

As mentioned in Chapter 1 of the management report, the Econocom Group faced supply chain difficulties due to Covid-19 and its consequences on the global economy, which particularly affected Products & Solutions and Technology Management & Financing and resulted in a significant increase in backlog at 31 December 2021.

In terms of expenses, the Group incurred incremental costs during the 2021 financial year (purchases of masks, gel, etc.). In addition, losses on receivables that have

become irrecoverable due to the crisis linked to the Covid-19 pandemic represented an insignificant amount at the end of December 2021. All these costs are presented under "Other non-current operating expenses" as referred to in note 5 "Other non-recurring operating income and expenses".

The impairment tests on goodwill and other long term assets (using methods and assumptions described in 9.3.) had no impact on the other non-recurring operating expenses.

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.

For management purposes, the Group wanted to once again separate Products & Solutions, Services and Technology, Management & Financing, to this end, the segment information presented in accordance with IFRS 8 follows the same segmentation.

Combined strategic operating business segments	Description	Countries
Products & Solutions	Services ranging from the design of solutions to their deployment, including the sale of hardware and software (PCs, tablets, servers, printers, licences, digital objects, etc.) and systems integration.	Germany, Brazil, Belgium, Canada, Spain, France, United States, Italy, Luxembourg, Mexico, Netherlands, United Kingdom and Singapore.
Services	Support for transformation towards the new digital world through our expertise (in consulting, infrastructure management, application development and integration of digital solutions).	Belgium, Spain, France, Luxembourg, Morocco and the Netherlands.
Technology Management & Financing	Innovative, tailored financing solutions to ensure more effective administrative and financial management of the ICT and digital assets of the businesses.	Germany, Belgium, Canada, Spain, United States, France, Ireland, Italy, Luxembourg, Netherlands, Poland and United Kingdom.

Each segment has a specific profitability profile and has its own characteristics; segments are managed depending on the type of products and services sold in their economic and geographical environments.

Sales and transfers between segments are carried out on arm's-length terms and are eliminated according to standard consolidation principles.

3.1. Information by operating business segment

The following table presents the contribution of each operating business segment to the Group's results:

<i>in € millions</i>	Products & Solutions	Services	Technology Management & Financing	Total
2021 revenue				
Revenue from external customers	1,067.5	516.3	920.9	2,504.7
Internal operating revenue	128.2	44.9	7.2	180.3
Total – Revenue from operating segments	1,195.7	561.2	928.1	2,685.0
Profit (loss) from continuing operations⁽¹⁾	53.5	42.5	39.8	135.7
Amortisation of intangible assets from acquisitions	(0.2)	-	(2.0)	(2.2)
Profit (loss) from continuing operations	53.3	42.5	37.8	133.5

⁽¹⁾ Before amortisation of intangible assets from acquisitions.

<i>in € millions, restated*</i>	Products & Solutions	Services	Technology Management & Financing	Total
2020 revenue				
Revenue from external customers	1,072.6	553.7	894.3	2,520.7
Internal operating revenue	162.6	47.4	4.9	214.9
Total – Revenue from operating segments	1,235.2	601.1	899.2	2,735.6
Profit (loss) from continuing operations⁽¹⁾	46.6	35.2	37.8	119.6
Amortisation of intangible assets from acquisitions	(0.1)	-	(2.0)	(2.1)
Profit (loss) from continuing operations	46.5	35.2	35.8	117.5

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now recognised in profit (loss) from current operating activities (see 1.2.2.)

⁽¹⁾ Before amortisation of intangible assets from acquisitions.

Internal transactions include:

- sales of goods and services: the Group ensures that these transactions are performed at arm's length and that it does not carry any significant internal margins;
- cross-charging of overheads and personnel costs.

The Group's segment profit corresponds to "Profit (loss) from continuing operations". This corresponds to operating profit before non-recurring operating income and expenses and amortisation of intangible assets from acquisitions.

3.2. Breakdown of revenue by region

The contribution of each operating business segment by region of origin to the Group's revenue is detailed below:

in € millions

2021 revenue	Products & Solutions	Services	Technology Management & Financing	2021
France	600.0	370.3	374.4	1,344.6
Benelux	144.2	81.2	106.8	332.2
Southern Europe	163.5	64.8	236.5	464.8
Northern & Eastern Europe	86.7	-	182.3	269.0
Americas	73.0	-	20.9	93.9
Total	1,067.5	516.3	920.9	2,504.7

in € millions

2020 revenue restated*	Products & Solutions	Services	Technology Management & Financing	2020 restated*
France	669.3	403.6	354.9	1,427.8
Benelux	138.2	88.4	120.4	347.0
Southern Europe	133.2	61.8	229.8	424.8
Northern & Eastern Europe	50.4	-	175.9	226.3
Americas	81.6	-	13.3	94.9
Total	1,072.6	553.7	894.3	2,520.7

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

4. Profit (loss) from current operating activities

Profit (loss) from current operating activities includes all income and expenses that arise directly from the Group's business, both recurring items and items resulting from one-off decisions or transactions.

Profit (loss) from current operating activities, representing profit (loss) from operating activities restated for other non-recurring income and expenses, is an analytical line item intended to facilitate the understanding of the Group's operating performance.

4.1. Income from contracts with customers

Revenue from contracts with customers by business line breaks down as follows:

<i>in € millions</i>	2021	2020 restated*
Products & Solutions	1,067.5	1,072.6
Services	516.3	553.7
Technology Management & Financing	920.9	894.3
Total revenue from continuing operations	2,504.7	2,520.7

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 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 is recognised:

- over time when one of the following conditions is fulfilled:
 - ▶ the customer receives the benefits of the service as the entity performs such services,
 - ▶ the customer obtains control of the asset as the asset is created,
 - ▶ the final asset has no alternative use for the entity and the entity has an enforceable right to payment for performance completed to date;

- in full at a point in time, namely at completion, in all other cases.

Application to the Group's various businesses

Sale of assets

Revenue is recognised when the goods are delivered and ownership is transferred, when the following conditions are met:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Finance lease sales

In accordance with IFRS 16, the revenue recognition rules differ depending on the type of contract (see 4.1.2.).

Sales of services

The following types of contracts and activities are covered:

- *outsourcing contracts*: these contracts are split into a "build" phase and a "run" phase when the deliverables are distinct; revenue from the two phases is recognised as and when control is transferred. For the "build" phase to be deemed distinct, it must be representative of a service from which the customer can benefit distinctly from the delivery of the "run" phase. If this is not the case, the revenue may only be recognised as the recurring services are performed, and the costs of the "Build" phase must be capitalised if they create a resource that will be used for the future delivery of services;

- *maintenance activities operated by Econocom*: revenue is recognised on a percentage-of-completion basis;

- *activities involving the loan of employees under time-and-materials contracts*: revenue is recognised on a time-spent basis;

- *development of applications under fixed price contracts*: revenue is recognised on a percentage of completion basis as control is transferred;

- *infrastructure installation projects*: the percentage-of-completion method still applies insofar as the transfer of control takes place over time.

For certain fixed-price contracts providing for a number of different service obligations, the transaction price may sometimes be reallocated to the various performance obligations on a case-by-case basis in order to reflect the economic value of the services rendered (which may differ from their contractual value).

For contracts separated into stages, revenue and margin are recognised depending on the stage of completion in accordance with the method that best reflects the transfer of goods and services to the customer. This results in the recognition of revenue accruals or deferred income when invoicing does not reflect the stage of completion of the work. A contingency provision for the expected loss on a project is recognised if the cost of the project is greater than the expected revenue.

“Principal” versus “agent” considerations

In the course of its business, the Group may be required to resell equipment, software and services purchased from third parties. For the supply of these goods and services, Econocom may act as either principal or agent.

Econocom is a principal if its “performance obligation” requires it to provide goods and/or underlying services to the customer. This means that Econocom therefore 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;
- net of the cost of sales 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. They are then classified in “Other current assets”.

4.1.2. LEASE ACCOUNTING

Virtually all leases entered into by the Technology Management & Financing business as lessor are finance leases, and Econocom acts as a dealer-lessor, although operating leases may also occasionally be contracted.

4.1.2.1. Finance leases

The Group identifies finance lease contracts, as opposed to the operating leases, using the criteria set out in IFRS 16. A lease is classified as a finance lease (rather than an operating lease) if it transfers substantially all the risks and rewards incidental to ownership. When determining whether a lease transfers substantially all the risks and rewards incidental to ownership and should therefore be classified as a finance lease, the Group generally uses (i) the fair value criterion, and then (ii) the economic life criterion even if title is not transferred. At the beginning of the lease, the discounted value of the minimum lease payments must be equal to almost the entire fair value of the leased asset. In practice, as it is the Group's policy not to use its equity to fund leases and to limit its risk on residual value, operating leases are fairly rare.

Finance leases where the Group is lessor are mainly refinanced contracts in which:

- the lease contracts and equipment are sold to refinancing institutions at an all-inclusive price representing the present value of future minimum lease payments receivable and the residual financial value of the equipment;

- residual financial value represents the amount for which the Group undertakes to repurchase the equipment upon expiry of the lease;
- lease payments due by lessees are paid directly to the refinancing institutions on a non-recourse basis, which means that the Group transfers the risk of payment default.

From a legal standpoint, the Group relinquishes ownership of the equipment on the date of sale to the refinancing institution and recovers ownership at the end of the lease term by repurchasing the equipment. In some cases, the Group asks the refinancing institutions to grant it invoicing and payment agency on their behalf. This does not alter the transfer of the risk of payment default from the lessees to the refinancing institutions.

Econocom acts as a dealer lessor and therefore recognises a margin as from the inception of the lease. Revenue, cost of sales and the residual interest in leased assets are recognised progressively as assets are delivered, *pro rata* to the amount of each delivery.

IFRS 16 states that initial recognition of a lease must take place at the commencement of the lease term, *i.e.*, the date from which the lessee is entitled to exercise its right to use the leased asset. The provisions of the Group's General Lease Conditions define this date as the date on which the leased asset is delivered, which is officially confirmed when the Statement of Acceptance is signed.

Certain sales and lease-backs in the event that Econocom is not considered a dealer-lessor the following are recorded:

- in accordance with IFRS 9 (to which IFRS 16 refers) when the conditions for recognising a sale within the meaning of IFRS 15 between the lessee and Econocom are not met;

- in accordance with IFRS 16 (direct finance lease) if the transfer of the asset to Econocom by the lessee meets the criteria set out in IFRS 15.

In both cases, Econocom recognises a financial asset. Revenue is not recognised at the transaction date and financial income relating to operating activities is recognised over the entire lease term based on the interest rate implicit in the lease.

In the case of a sale without recourse to a refinancing institution of a sale and leaseback agreement, only the corresponding margin is recognised at the date of sale.

Regardless if they are sale & lease-back contracts or not, Finance leases are recognised as follows:

Balance sheet

For each lease, the Group's residual interest in the leased assets (see note 11.1) is recognised in assets and the gross liability for purchases of leased assets (defined in note 11.2) is recognised in liabilities.

Income statement

Revenue on these contracts corresponds to the present value of future minimum lease payments (corresponding to the payments that the lessee is required to make throughout the realisation period and the lease term).

Financial income not yet acquired from lease payments is recognised in the income statement when the contracts are refinanced.

The impacts of discounting only concern the "Gross liability for purchases of leased assets" (see note 11.2) and the "Residual interest in leased assets" (see note 11.1) items.

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.

4.1.2.2. Operating leases

When the Econocom group retains all the risks associated with the lease and there is no transfer of the main risks and benefits associated with the ownership of the asset, operating leases are recognised as follows:

Balance sheet

The leased equipment is recorded as an asset in the balance sheet and depreciated on a straight-line basis over the duration of the contract to write it down to its residual value, which represents the Company's residual interest in the asset at the end of the lease term.

Income statement

Income statement entries are made on a periodic basis with the invoiced lease payments recorded as revenue and the depreciation described above recorded as an expense.

4.1.2.3. Lease extensions

Revenue is recognised on lease extensions in line with the initial classification of the lease, *i.e.*:

- if the initial contract was classified as an operating lease, revenue from the extension of the lease will be deferred over the period of the lease extension;
- if the initial contract was classified as a finance lease, revenue from the extension of the lease will be recognised in full on the last day of the initial contract.

4.2. Employee benefits expense

The following table presents a breakdown of employee benefits expense:

<i>in € millions</i>	2021	2020 restated*
Wages and salaries	(336.1)	(332.2)
Social costs	(109.1)	(114.4)
Other employee benefits expenses	(24.0)	(18.5)
Total	(469.3)	(465.1)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 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 17.

The breakdown of the average Group's employees is defined according to the operating business segment to which they belong:

	2021	2020
Products & Solutions	1,488	1,449
Services	5,800	6,296
Technology Management & Financing	685	638
Holding and support functions	215	209
Total	8,188	8,592

4.3. 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.

In 2021, the Group benefited from various subsidies aimed at limiting the cost of its

unoccupied resources due to the Covid-19 crisis. The net cost of these subsidies is recognised as indicated in section 2.5.

Tax credits equivalent to subsidies

Tax credits are accounted for depending on the tax treatment applicable in each country:

- if the tax credit is only calculated based on specific expenses, does not adjust the calculation of the subsidiary's taxable profit, is not limited by the tax liability of the subsidiary, and may be refunded in cash, it is treated as a grant within the meaning of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and included within profit (loss) from operating activities;
- 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.

4.4. External expenses

The following table presents a breakdown of external expenses:

<i>in € millions</i>	2021	2020 restated*
Fees paid to intermediaries and other professionals	(45.6)	(47.9)
Agents' commissions	(22.7)	(30.9)
External services (maintenance, insurance, etc.)	(10.9)	(10.8)
Other external expenses (subcontracting, public relations, transport, etc.)	(35.6)	(37.7)
Total	(114.7)	(127.2)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

4.5. Depreciation, amortisation and provisions

Additions to and reversals of depreciation, amortisation and provisions break down as follows:

<i>in € millions</i>	2021	2020 restated*
Intangible assets: franchises, patents, licences and similar rights, business assets	(9.9)	(10.9)
Property, plant and equipment (leased assets)	(19.5)	(20.3)
Other property, plant and equipment	(10.2)	(9.3)
Depreciation and amortisation	(39.6)	(40.5)
Additions to and reversals of provisions for operating contingencies and expenses	4.6	1.4
Total	(35.0)	(39.1)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

4.6. Net impairment losses on current and non-current assets

<i>in € millions</i>	2021	2020 restated*
Impairment of inventories	(1.1)	(1.4)
Reversals of impairment of inventories	3.2	1.5
Net impairment losses/gains – inventories	2.1	0.1
Impairment of doubtful receivables	(6.9)	(27.2)
Reversals of impairment of doubtful receivables	26.4	42.6
Gains and losses on receivables	(12.5)	(9.2)
Net impairment losses/gains – trade receivables	7.0	6.2
Total	9.1	6.3

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

4.7. Other recurring operating income and expenses

Other recurring operating income and expenses break down as follows:

<i>in € millions</i>	2021	2020 restated*
Cross-charging and indemnities received	4.7	15.8
Capital losses on sales of tangible and intangible assets – recurring operating activities	-	0.5
Cross-charging and indemnities paid	(0.6)	(6.6)
Total	4.1	9.8

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

4.8. Financial income – operating activities

The following table breaks down finance income and expenses relating to operating activities by type of income/expenses:

<i>in € millions</i>	2021	2020 restated*
Financial income related to Technology Management & Financing operations	17.4	23.3
Miscellaneous financial income from operating activities	0.3	0.8
Total financial income – operating activities	17.7	24.2
Financial expenses related to Technology Management & Financing operations	(12.5)	(19.1)
Miscellaneous financial expenses from operating activities	(6.3)	(3.8)
Exchange losses	1.4	(2.1)
Total financial expenses – operating activities	(17.4)	(25.0)
Total	0.3	(0.8)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now recognised in current profit (loss) from operating activities (see 1.2.2.).

Financial income and expenses relating to Technology Management & Financing operations reflect the unwinding of the discount during the year on the gross liability for purchases of leased assets, the Group's residual interest in leased assets and lease payments outstanding.

Net exchange losses result mainly from fluctuations in the pound sterling and US dollar.

5. Other non-recurring operating income and expenses

Other non-recurring operating income and expenses mainly include:

- restructuring costs and costs associated with downsizing plans;
- the 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.

<i>in € millions</i>	2021	2020 restated*
Restructuring costs	(7.8)	(13.6)
Cost of vacant space and impairment of non-current assets	(5.0)	(8.6)
Costs linked to the Covid-19 pandemic	(1.0)	(5.6)
Other	(0.5)	(8.0)
Other non-current operating income and expenses	(14.3)	(35.8)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

Costs linked to reorganisations correspond to the continuation during the period of the performance improvement plans. These costs net of provision writebacks, amounted to €7.8 million; they mainly relate to the Services and Technology Management and Financing activities.

In 2020, other non-current operating expenses included the costs linked to the Covid-19 pandemic. In accordance with its definition of "Other non-current operating income and expenses" noted above, the Group had put certain additional significant costs, which would not have been incurred without the health crisis, in

this category. The presentation under the heading "Other non-recurring operating income and expenses" was relevant to the understanding of the Group's financial performance. They were mainly costs directly and specifically incurred to enable the continuation of activity (purchase of masks, gels, signs, computer licenses and equipment, spending on the refurbishment of premises, etc.). In addition, still on the basis of the definition above, "Other non-recurring operating income and expenses" included the net costs of resources which are vacant as a result of the health crisis (expenses which the Group is still responsible for, for staff on sick leave

or short-time work, net of the support measures put in place by the various governments, compensation paid to sub-contractors, etc.). Once the health crisis was over and as soon as these resources ceased to be vacant, their costs will once

again be classified under profit (loss) from current operating activities.

Lastly, other non-recurring income and expenses include capital gains on disposals as well as expenses and charges incurred in connection with unusual events.

6. Net finance income (expense)

<i>in € millions</i>	2021	2020 restated*
Convertible bonds (OCEANes) buybacks	0.2	0.9
Net finance income	3.3	0.1
Financial income	3.5	1.0
Interest on short-term financing	(2.4)	(2.6)
Expenses on non-current liabilities	(0.2)	-
Financial expenses on bonds	(7.8)	(9.7)
Interest cost of retirement benefits and other post employment benefits	(0.2)	(0.3)
Interest expense on lease liabilities (IFRS 16)	(1.5)	(1.4)
Other financial expenses	(1.2)	(0.2)
Financial expenses	(13.3)	(14.2)
Net financial expense	(9.8)	(13.2)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring and reverse factoring costs, which are now recognised in current profit (loss) from operating activities (see 1.2.2.).

Other financial income includes capital gains on the disposal of investment securities.

7. Income taxes

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

<i>in € millions</i>	Notes	2021	2020 restated*
Current tax		(28.9)	(15.0)
Movements in tax provisions	16	0.5	0.4
Deferred tax	7.2	(3.3)	(3.6)
Total		(31.7)	(18.2)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

Effective tax rate

<i>in € millions</i>	2021	2020 restated*
Profit before tax on continuing operations	109.4	68.5
Income tax on the profit of continuing operations	(31.7)	(18.2)
Effective tax rate as a percentage of profit before tax	29.0%	26.6%
Effective income tax rate (excluding CVAE and IRAP)	26.5%	19.9%

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

The income tax expense amounted to €29.0 million, plus €2.7 million from tax on value added in France (CVAE) and from the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy, for a total of €31.7 million.

Given the profit (loss) before tax of continuing operations of €109.4 million, the effective tax rate reported reached 29.0% (compared with 26.6% in 2020 restated; excluding CVAE/IRAP, the effective tax rate was 26.5% in 2021 (19.9% adjusted in 2020).

Reconciliation between theoretical tax expense and effective tax expense

<i>in € millions</i>	2021	2020 restated*
Profit before tax on continuing operations	109.4	68.5
Theoretical tax expense at current Belgian rate (25.00% in 2021 and 2020)	(27.3)	(17.1)
Unrecognised tax losses arising in the year	(6.1)	(1.8)
Recognition of previous deficits	5.3	-
Derecognition of previously recognised tax losses	-	(2.3)
Previously unrecognised tax losses used in the year	0.4	1.0
Adjustment to current and deferred tax	(5.9)	0.5
Effect of foreign income tax rates and changes in foreign income tax rates	0.7	0.7
Tax credits and other	0.5	0.7
Other permanent differences	3.3	5.0
Effect of taxes other than on income ⁽¹⁾	(2.7)	(4.9)
Total differences	(4.3)	(1.1)
Effective income tax expense	(31.7)	(18.2)

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

⁽¹⁾ Taxes other than on income relate to taxes assessed on value added that meet the requirements of IAS 12. For Econocom, this relates to the tax on value added in France (net of income tax) and to the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy.

7.2. Deferred tax assets and liabilities

Analysis of deferred tax assets and liabilities

<i>in € millions</i>	31 Dec. 2020	Income/ expense for the year (income statement)	Other compre- hensive income (equity)	Reclassi- fications	Reclas. in assets/ Liabilities held for sale	Changes in scope of consoli- dation and other	31 Dec. 2021
Pension obligations	8.1	0.2	(0.9)	0.2	-	(0.1)	7.4
Temporary differences arising on provisions	7.6	(2.0)	-	(0.4)	-	0.2	5.4
Other assets and liabilities*	23.1	(12.5)	(0.1)	(4.8)	-	-	5.7
Tax loss carryforwards	18.7	3.4	-	0.8	-	0.1	22.9
Impact of netting DTA/DTL	(19.7)	-	-	16.8	(0.2)	(0.2)	(3.4)
Total deferred tax assets	37.8	(11.0)	(1.1)	12.7	(0.2)	(0.1)	38.0

* Includes deferred tax assets related to the Italian excess depreciation.

Deferred tax on TMF business	(25.1)	11.9	-	(0.2)	(0.2)	-	(13.6)
Amortisable intangible assets	(7.2)	-	-	3.1	-	-	(4.0)
Other assets and liabilities	0.8	(2.5)	-	(0.2)	-	(0.3)	(2.1)
Impact of netting DTA/DTL	19.6	-	-	(16.7)	0.2	0.2	3.4
Total deferred tax liabilities	(11.8)	9.4	-	(13.9)	-	-	(16.3)

Net deferred tax assets (liabilities)	26.0	(1.6)	(1.1)	(1.3)	(0.2)	(0.1)	21.6
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<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Recoverable within 12 months, before netting DTA/DTL, by tax jurisdiction	7.7	(1.9)
Recoverable after 12 months, before netting DTA/DTL, by tax jurisdiction	13.9	27.9
Net deferred tax assets (liabilities)	21.6	26.0

Tax loss carryforwards

At 31 December 2021, the Group's tax loss carryforwards amounted to €184.7 million, versus €170.4 million at 31 December 2020.

The slight increase in tax loss carryforwards mainly concerns entities in Italy and in Belgium.

Unrecognised deferred tax assets on tax loss carryforwards totalled €23.9 million versus €25.7 million at 31 December 2020.

8. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury shares on a *pro rata* basis.

Diluted earnings per share is calculated by taking into account all financial

instruments carrying deferred rights to the parent company's share capital, issued either by the parent company itself or by any one of its subsidiaries. Dilution is calculated separately for each instrument, based on the conditions prevailing at the end of the reporting period and excluding non-dilutive instruments.

Basic earnings per share attributable to owners of the parent

<i>in € millions, except for per share data and number of shares</i>	2021	2020 restated*
Consolidated profit (loss) for the period attributable to owners of the parent	65.5	46.8
Consolidated profit (loss) for the period attributable to owners of the parent, continuing operations	73.0	46.8
Consolidated profit (loss) for the period attributable to owners of the parent, discontinued operations	(7.4)	(0.1)
Recurring net profit attributable to owners of the parent ⁽¹⁾	80.5	68.7
Average number of shares outstanding	190,767,600	216,865,774
Consolidated profit (loss) for the period per share (<i>in €</i>)	0.343	0.216
Earnings per share from continuing operations (<i>in €</i>)	0.383	0.216
Earnings per share from discontinued operations (<i>in €</i>)	(0.039)	(0.001)
Recurring earnings per share attributable to owners of the parent ⁽¹⁾ (<i>in €</i>)	0.422	0.317

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

⁽¹⁾ Recurring earnings for the year attributable to owners of the parent corresponds to profit for the year attributable to owners of the parent, before the following items:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other non-recurring operating income and expenses, net of tax effects;
- other non-recurring financial income and expenses, net of tax effects;
- profit from discontinued operations.

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Diluted earnings attributable to owners of the parent, per share

<i>in € millions, except for per share data and number of shares</i>	2021	2020 restated*
Diluted earnings	68.9	50.3
Diluted earnings from continuing operations	76.3	50.4
Diluted earnings from discontinued operations	(7.4)	(0.1)
Average number of shares outstanding	190,767,600	216,865,774
Impact of stock options	633,143	198,436
Impact of free shares	2,319,973	1,219,027
Impact of convertible bonds (OCEANes)	22,439,865	22,874,865
Diluted average number of shares outstanding	216,160,581	241,158,102
Diluted earnings per share (<i>in €</i>)	0.319	0.209
Diluted earnings per share from continuing operations (<i>in €</i>)	0.353	0.209
Diluted earnings per share from discontinued operations (<i>in €</i>)	(0.034)	(0.001)
Diluted earnings per share attributable to owners of the parent (<i>in €</i>)	0.388	0.299

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 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 redefine 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.

<i>in € millions</i>	Products & Solutions	Services	Technology Management & Financing	Total
2021				
Goodwill at 31 December 2020	127.1	256.6	115.7	499.5
Reclassification to assets held for sale	-	(5.1)	-	(5.1)
Acquisitions	14.3	-	0.3	14.6
Disposals	-	(14.3)	-	(14.3)
Foreign currency translation adjustments	0.3	-	-	0.3
Impairment	-	-	-	-
Goodwill at 31 December 2021	141.7	237.2	116.0	494.9
Of which gross amount	141.7	241.5	116.0	499.1
Of which accumulated impairment	-	(4.3)	-	(4.3)

In 2021, goodwill related to companies disposed of and acquired mainly concerned Alterway and Trams.

At 31 December 2021, only the goodwill relating to Trams was still in the allocation period.

<i>in € millions</i>	Products & Solutions	Services	Technology Management & Financing	Total
2020				
Goodwill at 31 December 2019	127.1	271.9	113.8	512.9
Reclassification to assets held for sale	-	4.2	-	4.2
Acquisitions	-	-	2.0	2.0
Disposals	-	(19.5)	-	(19.5)
Foreign currency translation adjustments	-	-	-	-
Impairment	-	-	-	-
Goodwill at 31 December 2020	127.1	256.6	115.7	499.5
Of which gross amount	127.1	260.9	115.7	503.8
Of which accumulated impairment	-	(4.3)	-	(4.3)

In 2020, goodwill from companies disposed of concerned Econocom Digital Security and Les Abeilles respectively.

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.

Cash flow projections are based on the budgets and on business plans covering a period of no more than five years. The terminal value is calculated by discounting normalised annual cash flows to perpetuity.

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. Impairment losses are recorded under "Non-recurring operating income and expenses" in the income statement.

Impairment losses recognised for tangible and intangible assets other than goodwill may be reversed in subsequent periods if the asset's recoverable amount becomes greater than its net book value.

Impairment losses recognised for goodwill may not be reversed.

When a relevant CGU is disposed of, the resulting goodwill is taken into account for the determination of the net proceeds of the disposal.

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 assumption can lead to an impairment;

- for the DSS CGU: a deterioration of the business plan of more than 18% or a discount rate of more than 16.80%;

- for the TMF CGU: a deterioration of the business plan of more than 16% or a discount rate of more than 13.50%.

Key assumptions

The value in use of the Group's CGUs is sensitive to the following assumptions:

- discount rate applied to future cash flows;

- growth rate of cash flows beyond the forecast period;

- business plan (revenue and margin).

	2021		2020	
	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate
Products & Solutions	8.50%	1.50%	8.50%	1.50%
Services	8.50%	1.50%	8.50%	1.50%
Technology Management & Financing	8.50%	1.00%	8.50%	1.00%

The growth rate and weighted average cost of share capital assumptions were reviewed in light of global market data. The growth rate reflects our best estimate given the current economic environment.

The after-tax discount rate used corresponds to the weighted average cost of capital ("WACC"). The perpetuity growth rate applied by the Group does not exceed the growth rate for the industry. Applying a pre-tax discount rate to pre-tax cash flows would have resulted in a similar value for the CGUs.

The 4-year business plan was determined based on the expected growth of markets for the CGU concerned, taking account of growth levers identified by Management. Margins are determined based on the historical margins observed in the years

preceding the start of the budget period. These margins also take account of expected efficiency gains as well as events known to management and that could impact the profitability of the activity.

Sensitivity to changes in assumptions

The table below shows the sensitivity of enterprise values to the assumptions used:

in € millions	Sensitivity to rates				Sensitivity to cash flows
	Discount rate		Perpetual growth rate		
	+1.0%	(1.0%)	+0.5%	(0.5%)	(5%)
Products & Solutions	(52.4)	69.9	26.0	(22.5)	(60.9)
Services	(43.9)	58.5	26.3	(22.8)	(55.5)
Technology Management & Financing	(58.9)	77.8	24.2	(21.0)	(81.8)

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 carrying amount;

- 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 assets

10.1. Intangible assets

Separately acquired intangible assets

Separately acquired intangible assets are initially measured at cost, which corresponds to their acquisition cost or their acquisition-date fair value for intangible assets acquired in a business combination.

After initial recognition, they are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with finite useful lives are amortised over their economic useful life. The useful life of concessions, patents and licences is estimated at between three and seven years.

Intangible assets with indefinite useful lives are not amortised.

Internally generated intangible assets

The Group carries out IT development projects. Expenses incurred in relation to these operations can be included in the cost of intangible assets. An internally generated intangible asset resulting from development (or from the development phase of an internal IT project) is only recognised if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;

- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to reliably measure the expenditure attributable to the intangible asset during its development. The initial cost of an internally generated intangible asset is equal to the sum of expenditure incurred from the date on which the intangible asset first meets the above-mentioned recognition criteria.

If no internally generated intangible asset can be recognised, development costs are recognised in profit or loss for the year in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less any accumulated amortisation and impairment losses, in accordance with the same method as that used for separately acquired intangible assets.

The useful life of information systems is estimated at between three and seven years.

Intangible assets acquired in business combinations

Intangible assets acquired by the Group in business combinations are measured at their acquisition cost less any accumulated amortisation and impairment losses. They essentially include operating licences and computer software. They are depreciated on a straight line basis over their useful lives.

The customer portfolio acquired from the ECS group was valued using the MEEM method (Multi-period Excess Earnings Method) at €40 million and is being amortised over 20 years.

Useful life	In years
Amortisable business assets	3–5
ECS customer portfolio	20
Franchises, patents, licences	3–7
IT systems	3–7

The Group has no intangible assets with indefinite useful lives except for the goodwill presented in note 9.

2021 intangible assets

<i>in € millions</i>	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2020	54.9	32.9	64.3	3.5	155.6
Acquisitions	-	1.1	8.4	0.2	9.7
Disposals/Retirements	(0.1)	(1.6)	(4.8)	(0.6)	(7.1)
Changes in scope of consolidation	(0.2)	(0.9)	(3.5)	-	(4.6)
Transfers and other movements	-	0.6	0.8	0.3	1.6
Reclassification to assets held for sale	-	(6.0)	(0.6)	(1.6)	(8.1)
Gross value at 31 December 2021	54.6	25.9	64.6	1.8	147.0
Depreciation and impairment					
Accumulated depreciation at 31 December 2020	(34.4)	(28.0)	(42.8)	(2.8)	(108.0)
Additions	(2.2)	(1.2)	(6.2)	(0.3)	(10.0)
Disposals/Retirements	0.1	1.4	4.4	0.1	6.0
Changes in scope of consolidation	-	0.8	2.7	-	3.6
Transfers and other movements	-	(0.6)	(0.3)	0.2	(0.7)
Reclassification to assets held for sale	-	4.4	-	1.6	6.0
Accumulated depreciation at 31 December 2021	(36.6)	(23.3)	(42.0)	(1.2)	(103.1)
Net book value at 31 December 2020	20.5	4.9	21.5	0.7	47.6
Net book value at 31 December 2021	18.1	2.6	22.7	0.7	43.9

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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 2020

<i>in € millions</i>	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 2019	54.1	34.1	70.5	6.4	165.1
Acquisitions	0.7	1.0	7.1	0.2	8.9
Disposals/Retirements	-	(0.6)	(13.0)	(0.2)	(13.7)
Changes in scope of consolidation	0.2	(1.6)	-	(0.1)	(1.5)
Transfers and other movements	-	0.1	-	(2.9)	(2.7)
Reclassification to assets held for sale	-	(0.2)	(0.1)	-	(0.3)
Gross value at 31 December 2020	54.9	32.9	64.3	3.5	155.6
Depreciation and impairment					
Accumulated depreciation at 31 December 2019	(32.4)	(26.5)	(43.4)	(5.6)	(107.8)
Additions	(2.1)	(2.9)	(7.1)	(0.3)	(12.3)
Disposals/Retirements	-	1.5	7.8	0.1	9.4
Changes in scope of consolidation	-	1.1	-	0.1	1.2
Transfers and other movements	-	-	-	2.9	2.8
Reclassification to assets held for sale	-	(1.2)	-	-	(1.2)
Accumulated depreciation at 31 December 2020	(34.4)	(28.0)	(42.8)	(2.8)	(108.0)
Net book value at 31 December 2019	21.7	7.7	27.1	0.8	57.2
Net book value at 31 December 2020	20.5	4.9	21.5	0.7	47.6

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 on the sale of an item of property, plant and equipment are determined as the difference between the proceeds from the sale and the net book value of the asset sold. They are included in either “Other operating income and expenses” or “Revenue from continuing operations” if the sale took place in the ordinary course of the Group’s business.

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

Leases, as defined by IFRS 16, are entered in the statement of the consolidated financial position as an asset representing the right of use of the leased asset during the term of the contract.

On the date that the lease takes effect, the right of use is valued at its cost, including:

- the initial amount of the liability, with the advance payments made to the lessor, net of the benefits received from the lessor;
- initial direct costs incurred by the lessee for the conclusion of the contract; and
- the costs of dismantling or restoring the leased asset according to the terms of the contract.

The right of use is depreciated over the useful life of the assets, which leads to a depreciation charge being entered on the income statement.

On the date that the lease takes effect, the rental liability is entered for an amount equal to the discounted value of rents over the duration of the contract, as defined by the Econocom group. The valuation of the rental liability includes:

- fixed rents (including rentals considered to be fixed in substance);
- variable rents based on a rate or index using the rate or index on the date the contract comes into effect;
- any residual value guarantees awarded to the lessor;
- the exercise price of a purchase option if the exercise of the option is reasonably certain; and
- penalties for cancellation or non-renewal of the contract.

The rental liability is recognised at the depreciated cost, using the effective interest rate method, and leads to the recognition, on the income statement, of an interest charge for the period and variable payments (not taken into account in the initial valuation).

The liability may be revalued to offset the right of use in the following cases:

- revision of the term of the contract;
- modification linked to the valuation of the reasonably certain nature (or not) of the exercise of a purchase option;
- change in the amount of payment expected under the residual value guarantee awarded to the lessor;
- adjustment of rates or indices on which variable rents are based, when the latter are modified.

Leases mainly relate to property assets and the vehicle fleet. The accounting exemptions set out in the standard for the short-term contracts (term below or equal to 12 months) and with no tacit renewal, and leases on low value assets, have been applied.

The rental term is determined on a lease-by-lease basis and corresponds to the firm period of the commitment, taking into account optional periods that are reasonably certain to be exercised, except for vehicles for which Econocom will retain the portfolio approach, through simplification, given that the contracts are somewhat similar irrespective of the country and that this simplification does not give rise to material differences with regard to the recommended method set forth in IFRS 16.

For vehicles, the assumptions and measurement methods of this “portfolio” approach are as follows: a measurement is done at each period end, making it possible to update the lease liability and right of use; amortisations and financial expenses are then determined on a flat-rate basis based on an average term of use of the vehicles (amortisation) and on the rental payments actually paid for the difference.

The discount rate applied on the date of transition is based on the Group's incremental borrowing rate.

2021 property, plant and equipment

<i>in € millions</i>	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Property, plant and equipment held under finance leases	Rights of use assets	Total
Acquisition cost							
Gross value at 31 December 2020	31.2	53.1	15.3	19.6	1.0	118.0	238.1
Acquisitions	1.7	4.1	0.8	2.4	-	29.4	38.6
Disposals/Retirements	(1.1)	(5.5)	(1.7)	(2.5)	(0.2)	-	(11.0)
Changes in scope of consolidation	(0.1)	(1.1)	(0.6)	-	-	(2.5)	(4.2)
Transfers and other movements	(1.6)	0.8	3.5	(3.9)	-	(15.6)	(16.7)
Reclassification to assets held for sale	(0.2)	-	-	-	-	(7.5)	(7.7)
Gross value at 31 December 2021	29.9	51.4	17.4	15.6	0.8	121.9	237.1
Depreciation and impairment							
Accumulated depreciation at 31 December 2020	(18.1)	(43.1)	(11.1)	(11.8)	(0.9)	(63.4)	(148.3)
Additions	(2.0)	(4.9)	(2.5)	(0.8)	-	(19.5)	(29.6)
Disposals/Retirements	1.0	5.3	1.6	1.6	0.2	-	9.7
Changes in scope of consolidation	0.1	0.9	0.5	-	-	2.2	3.7
Reversals of impairment	-	-	-	-	-	-	-
Transfers and other movements	1.9	0.2	(0.8)	(0.9)	-	10.5	11.0
Reclassification to assets held for sale	0.2	-	-	-	-	3.2	3.3
Accumulated depreciation at 31 December 2021	(17.0)	(41.6)	(12.1)	(11.8)	(0.8)	(67.0)	(150.3)
Net book value at 31 December 2020	13.0	10.0	4.3	7.8	-	54.7	89.9
Net book value at 31 December 2021	12.9	9.8	5.3	3.8	-	55.0	86.7

Other property, plant and equipment relate to assets in progress.

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2020 property, plant and equipment

<i>in € millions</i>	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Property, plant and equipment held under finance leases	Rights of use assets	Total
Acquisition cost							
Gross value at 31 December 2019	25.0	61.2	11.9	15.9	1.1	74.3	189.3
Acquisitions	0.6	2.7	0.3	4.6	-	34.5	42.8
Disposals/Retirements	(1.7)	(8.0)	(1.4)	(0.7)	-	-	(11.8)
Changes in scope of consolidation	3.1	(2.5)	(0.2)	0.3	-	(3.2)	(2.5)
Transfers and other movements	4.3	0.2	4.7	(0.5)	(0.1)	12.6	21.2
Reclassification to assets held for sale	(0.2)	(0.6)	-	-	-	(0.2)	(1.0)
Gross value at 31 December 2020	31.2	53.1	15.3	19.6	1.0	118.0	238.1
Depreciation and impairment							
Accumulated depreciation at 31 December 2019	(12.2)	(46.5)	(9.5)	(11.3)	(1.0)	(16.3)	(96.8)
Additions	(2.5)	(5.7)	(1.0)	(0.7)	-	(21.9)	(31.8)
Disposals/Retirements	1.2	6.7	1.1	0.3	-	-	9.2
Changes in scope of consolidation	(1.3)	2.3	0.2	(0.1)	-	2.3	3.3
Reversals of impairment	-	-	-	-	-	-	-
Transfers and other movements	(3.4)	0.2	(1.9)	-	0.1	(27.4)	(32.5)
Reclassification to assets held for sale	0.1	-	-	-	-	0.1	0.2
Accumulated depreciation at 31 December 2020	(18.1)	(43.1)	(11.1)	(11.8)	(0.9)	(63.4)	(148.3)
Net book value at 31 December 2019	12.8	14.7	2.4	4.6	0.1	57.9	92.5
Net book value at 31 December 2020	13.0	10.0	4.3	7.8	-	54.7	89.9

10.3. Long-term financial assets

Investments in non-consolidated companies are recorded at fair value. Changes in fair value are recognised under Income.

<i>in € millions</i>	Investments in non- consolidated companies⁽¹⁾	Investments in associates and joint ventures⁽²⁾	Other non-current financial assets⁽³⁾	Total
Balance at 31 December 2019	5.3	0.5	27.2	32.9
Increases	-	-	3.8	3.8
Repayments/Disposals	(0.3)	-	(5.6)	(5.9)
Changes in scope of consolidation	-	-	(0.4)	(0.4)
Transfers and other movements	-	-	-	-
Share of profit (loss) of associates and joint ventures	-	0.1	-	0.1
Balance at 31 December 2020	4.9	0.5	25.1	30.5
Increases	3.5	-	4.8	8.3
Repayments/Disposals	(0.1)	-	(8.8)	(8.9)
Changes in scope of consolidation	0.3	(0.6)	(0.2)	(0.5)
Transfers and other movements	-	-	-	-
Share of profit (loss) of associates and joint ventures	-	0.1	-	0.1
Balance at 31 December 2021	8.6	-	20.9	29.5

⁽¹⁾ This relates to the Group's interest in non-controlled entities for €8.6 million, including shares in SO-it (€3.5 million), Hélios (€2.4 million), Histoverly (€0.8 million), Kartable (€0.5 million), Magic Makers (€0.9 million), JTRS (€0.3 million) and Neuradom (€0.2 million).

⁽²⁾ At 31 December 2020, Econocom had only one equity-accounted associate (JTRS).

⁽³⁾ Other non-current financial assets chiefly correspond to guarantees and deposits.

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Maturity of non-current financial assets

<i>2021 in € millions</i>	1 to 5 years	Beyond 5 years	Indefinite	Total
Investments in non-consolidated companies	-	-	8.6	8.6
Investments in associates and joint ventures	-	-	-	-
Other investments	-	-	7.7	7.7
Guarantees given to factors	8.6	-	-	8.6
Other guarantees and deposits	2.1	2.5	-	4.6
Total	10.7	2.5	16.3	29.5

<i>2020 in € millions</i>	1 to 5 years	Beyond 5 years	Indefinite	Total
Investments in non-consolidated companies	-	-	4.9	4.9
Investments in associates and joint ventures	-	-	0.5	0.5
Other investments	-	-	8.5	8.5
Guarantees given to factors	9.7	-	-	9.7
Other guarantees and deposits	6.2	0.7	-	6.9
Total	15.9	0.7	13.9	30.5

10.4. Other long-term receivables

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Government grants	2.7	4.8
Other long-term receivables	20.6	19.7
Other receivables	23.3	24.5

“Government grants” relate to amounts receivable under government grants (€2.7 million in respect of CIR at 31 December 2021). Other receivables relates to loans granted to employees or associates.

The book values of other nonfinancial assets such as other long-term receivables, are reviewed for impairment at the end of each reporting date. If the book value of these assets exceeds their estimated recoverable amount, an impairment loss is recognised within profit (loss) from operating activities.

By maturity

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
1 to 5 years	6.7	12.0
Beyond 5 years	16.6	12.5
Total	23.3	24.5

11. Residual interest in leased assets and gross liability commitments for purchases of leased assets

11.1. Residual interest in leased assets

The Group's residual interest in leased assets sold to refinancing institutions corresponds to an estimated market value. Management issues an estimate that requires critical judgement.

This residual interest is calculated as follows:

- for all fixed-term contracts, the estimated market value is calculated using an accelerated diminishing balance method, based on the amortisation of the original purchase cost of each item of equipment.

The residual interest therefore represents a long-term asset which is discounted using the same method as for the related lease. This method does not apply to nonstandard cases, which are rare;

- for renewable asset management contracts, the accelerated diminishing balance method of depreciation is not applicable. The estimated market value for these contracts is calculated by using a fixed percentage of the original purchase cost of the equipment.

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Residual interest in leased assets non-current portion (between 1 and 5 years)	128.0	134.3
Residual interest in leased assets current portion (less than 1 year)	42.7	40.9
Total	170.7	175.2

The Group regularly revises estimates of its residual interest in leased assets using a statistical method based on its experience of second-hand markets.

For more recent assets, for which there is inadequate market data to establish an accurate valuation, the Group uses a prudent approach which may be adjusted when it has access to adequate historical information.

The residual interest recognised at 31 December 2021 was €170.7 million for a portfolio of leased assets representing €5.4 billion (purchase price of the assets on inception of the lease). The Group's residual interest in leased assets therefore stood at 3.1% of the purchase price of the assets in its portfolio (*versus* 3.0% at 31 December 2020).

The impact of discounting on the total amount of the residual interest was €7.5 million at 31 December 2021, the pre-discounted values were €178.2 million at 31 December 2021.

Residual interest in leased assets concerns IT assets and industrial assets amounting to €145.3 million and €32.9 million, respectively.

11.2. Gross liability commitments for purchases of leased assets

The Group repurchases leased equipment from refinancing institutions at the end of the lease term. These purchase obligations are classified within “gross liability for purchases of leased assets” and recognised

in balance sheet. They are generally non-current liabilities which are discounted using the same method as for the related leases. They are classified as financial debt but are not included in net debt (see 14.3.).

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Total gross liability commitments for purchases of leased assets – non-current portion (between 1 and 5 years)	75.3	75.9
Total gross liability commitments for purchases of leased assets – current portion (less than 1 year)	22.8	27.8
Total	98.1	103.7

The present value of items recorded in “Gross liability for purchases of leased assets” (current and non-current portions) stands at €98.1 million. The cumulative

impact of discounting was €6.2 million in 2021. The pre-discounted value was €104.3 million at 31 December 2021.

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. 2021			31 Dec. 2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Equipment in the process of being refinanced	19.8	(0.5)	19.3	21.7	(2.4)	19.3
Other inventories	110.0	(6.7)	103.3	64.2	(6.8)	57.4
IT equipment and telecoms	49.7	(3.0)	46.7	56.3	(3.3)	52.9
Spare parts	60.2	(3.7)	56.6	8.0	(3.5)	4.5
Total	129.8	(7.1)	122.6	85.9	(9.2)	76.7

Net inventories increased by €46.0 million, including €48.0 million related to the acquisition in June 2021 and subsequently the transformation of two tugs by Les Abeilles as part of the new contract obtained from the French Navy.

Gross value

in € millions	31 Dec. 2020	Changes in inventories	Changes in scope of consolidation	Reclassification under assets held for sale	Other changes	31 Dec. 2021
Equipment in the process of being refinanced	21.7	(3.2)	-	-	1.3	19.8
Other inventories	64.2	45.4	0.1	(0.1)	0.3	110.0
IT equipment and telecoms	56.3	(6.9)	0.1	-	0.3	49.7
Spare parts	8.0	52.3	-	(0.1)	-	60.2
Total	85.9	42.2	0.1	(0.1)	1.6	129.8

Impairment

<i>in € millions</i>	31 Dec. 2020	Additions	Reversals	Reclass- ification under assets held for sale	Other changes	31 Dec. 2021
Equipment in the process of being refinanced	(2.4)	(0.0)	2.0	-	-	(0.5)
Other inventories	(6.8)	(1.0)	1.2	-	-	(6.7)
IT equipment and telecoms	(3.3)	(0.8)	1.1	-	-	(3.0)
Spare parts	(3.5)	(0.3)	0.1	-	-	(3.7)
Total	(9.2)	(1.1)	3.2	-	-	(7.1)

12.2. Trade and other receivables and other current assets

<i>in € millions</i>	31 Dec. 2021			31 Dec. 2020		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	783.0	(50.9)	732.1	884.0	(70.8)	813.2
Other receivables	67.8	(3.5)	64.3	86.6	(5.6)	81.0
Trade and other receivables	850.8	(54.4)	796.4	970.6	(76.4)	894.1
Contract assets	19.7	-	19.7	17.4	-	17.4
Other current assets	27.1	-	27.1	30.4	-	30.4

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Trade receivables items are broken down below by business, net of impairment.

<i>in € millions</i>	31 Dec. 2021				31 Dec. 2020			
	Receivables invoiced, net of impairment	Revenue accruals	Out standing rentals	Total	Receivables invoiced, net of impairment	Revenue accruals	Out standing rentals	Total
Products & Solutions	106.0	48.7	-	154.7	100.7	31.3	-	132.0
Services	22.1	22.8	-	44.9	32.0	37.0	-	69.0
Technology Management & Financing	234.8	5.3	292.4	532.5	254.1	2.1	356.0	612.2
Total	362.9	76.7	292.4	732.1	386.7	70.4	356.0	813.2

At end-2021, the €292.4 million in outstanding rentals includes a portion that is self-funded or refinanced with recourse for a gross amount of €208.3 million, of which €152.1 million is non-current. The

current portion of the €292.4 million includes not only self-funded outstanding rentals but also a portion that will be refinanced (when a refinancing agreement exists).

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.

Following the Covid-19 pandemic, the methods for determining provisions for impairment in accordance with IFRS 9 have not been modified, but risk analyses have been carried out on each case that so required.

<i>in € millions</i>	31 Dec. 2020	Additions	Reversals	Other changes	Reclassification under assets held for sale	31 Dec. 2021
Impairment of doubtful receivables	(70.8)	(10.3)	25.9	2.5	1.7	(50.9)

Other receivables

Other receivables represent amounts receivable from the French State and miscellaneous amounts due from third parties (suppliers, factor, etc.):

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Tax receivables (excl. income tax)	32.4	18.3
Factoring receivables	13.7	35.8
Government grants receivable	0.8	0.1
Due from suppliers	11.0	17.9
Other	6.4	8.9
Other receivables	64.3	81.0

Other current assets

Other current assets correspond mainly to prepaid expenses of €27.1 million compared to €30.4 million at 31 December 2020.

12.3. Trade and other payables

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Trade payables	707.3	775.2
Other payables	174.7	216.8
Tax and social liabilities	168.8	204.2
Dividends payable	0.9	1.3
Customer prepayments and other payables	5.1	11.4
Trade and other payables	882.0	992.1

12.4. Other current liabilities

Other current liabilities break down as follows:

<i>in € millions</i>	Notes	31 Dec. 2021	31 Dec. 2020
Contract liabilities		52.1	62.9
Deferred income		119.3	122.0
Other liabilities		12.8	5.5
Other current liabilities		132.1	127.5

13. 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.

13.1. Classification and measurement of financial instruments

Financial instruments (assets and liabilities) are recorded in the consolidated statement of financial position at their fair value on initial recognition, plus in the case of an asset that is not subsequently recognised at fair value through profit or loss, transaction costs directly attributable to the acquisition of that asset.

They are subsequently measured at either fair value (through profit or loss, or through other comprehensive income) or amortised cost, depending on their nature.

The classification of a financial asset in each of these categories depends on the management model applied to it by the Company and the characteristics of its contractual cash flows.

In practice, trade receivables are measured according to the amortised cost method, even though they may be subject to an assignment of receivables, for example, in the context of factoring.

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. Financial assets at amortised cost are tested for impairment whenever there are indications that they may be impaired.

Any loss of value is recognised in the income statement.

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.

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 21).

13.2. Derivative instruments

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 used to use an interest rate swap to hedge its interest rate risk on a floating-rate tranche of its Schuldschein

notes. This financial instrument was designated as a cash flow hedge and is eligible for hedge accounting under IFRS 9. This tranche was repaid in May 2021.

Gains or losses on the hedging instrument are recognised directly in other comprehensive income until the hedged item is itself recognised in the income statement. Hedging reserves are then transferred to the income statement.

	31 Dec. 2020	Change through profit or loss	Other comprehensive income (expense)	31 Dec. 2021
Derivative instruments (positive fair value)	-	-	-	-
Derivative instruments (negative fair value)	1.1		(1.1)	-
Total result				

13.3. Classification of financial instruments and fair value hierarchy

IFRS 7 “Financial Instruments: Disclosures” sets out a fair value hierarchy, as follows:

- level 1: fair value based on quoted prices in active markets;
- level 2: fair value measured using observable market inputs (other than the quoted market prices included in Level 1);
- level 3: fair value measured using unobservable market inputs.

The fair value of financial instruments is determined using market prices resulting from trades on a national stock exchange or over-the-counter markets. When no

market price is available, fair value is measured using other valuation methods such as discounted future cash flows.

In any event, estimates of market value are based on certain interpretations required when measuring financial assets.

As such, these estimates do not necessarily reflect the amounts that the Group would actually receive or pay if the instruments were traded on the market. The use of different estimates, methods and assumptions may have a material impact on estimated fair values.

In view of their short-term nature, the book value of trade and other receivables, and cash and cash equivalents approximates their fair value.

Derivative instruments are measured using Level 2 fair values.

Cash equivalents are recognised at fair value (Level 1).

13.3.1. FINANCIAL ASSETS

The Group's financial assets at 31 December 2021 can be analysed as follows:

<i>in € millions</i>		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
Long-term financial assets	10.3	20.9	-	8.6	-	29.5	-
Long-term receivables	10.4	23.3	-	-	-	23.3	-
Trade receivables	12.2	732.1	-	-	-	732.1	-
Other receivables	12.2	64.3	-	-	-	64.3	-
Cash and cash equivalents	14.1	-	-	405.9	405.9	-	-
Total financial assets		840.6	-	414.5	405.9	849.2	-

13.3.2. FINANCIAL LIABILITIES AND OTHER LIABILITIES

In view of their short-term nature, the book value of trade and other payables approximates 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.

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<i>in € millions</i>		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	14.2	472.7	-	-	-	472.7	-
<i>Non convertible bonds</i>		69.4	-	-	-	69.4	-
<i>Convertible bonds</i>		182.5	-	-	-	182.5	-
<i>Bank debt, commercial paper and other</i>		71.9	-	-	-	71.9	-
<i>Liabilities relating to contracts refinanced with recourse</i>		149.0	-	-	-	149.0	-
Gross liability for purchases of leased assets	11.2	98.1	-	-	-	98.1	-
Lease liabilities		58.7	-	-	-	58.7	-
Acquisition-related liabilities	2.4		1.5	55.2			56.7
Other non-current liabilities		9.3	-	-	-	9.3	-
Trade payables	12.3	707.3	-	-	-	707.3	-
Other payables (excluding derivative instruments)	12.3	174.7	-	-	-	174.7	-
Other current liabilities	12.4	12.8	-	-		12.8	-
Total financial liabilities and other liabilities		1,533.6	1.5	55.2	-	1,533.6	56.7

Based on the information held by the Group, the fair value of financial liabilities approximates their book value.

14. Cash, gross debt, net debt

14.1. 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 debt” within current liabilities in the balance sheet.

Changes in fair value are recognised through profit or loss under “Financial income – operating activities”.

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts. Cash and

cash equivalents can be broken down as follows at end-2021 and end-2020:

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Cash in hand	382.9	633.5
Demand deposits	0.1	-
Sight deposits	382.9	633.5
Cash equivalents	22.9	15.8
Term accounts	0.7	10.6
Marketable securities	22.2	5.2
Cash and cash equivalents	405.9	649.3
Bank overdrafts	(0.0)	(0.8)
Cash and cash equivalents net of bank overdrafts	405.9	648.5

The cash and cash equivalent balances corresponding to the share of Econocom’s partners in companies fully consolidated

but not wholly owned by Econocom totaled €71.1 million at 31 December 2021 versus €56.2 million at 31 December 2020.

14.2. Gross debt

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Convertible bond (OCEANE)	181.5	181.2
Non-convertible bond loan (Euro PP)	-	54.7
Non-convertible bond debt (Schuldschein)	12.7	12.7
Bonds loans – non-current	194.3	248.7
Other debt	66.9	25.6
Finance lease liabilities ⁽¹⁾	41.4	50.3
Financial debt – non-current	108.3	75.9
Non-current interest-bearing liabilities	302.6	324.6
Convertible bond loan (OCEANE) – current portion	0.9	1.0
Non-convertible bond loan (Euro PP) – current portion	56.4	1.6
Non-convertible bond loan (Schuldschein bond) – current portion	0.3	137.3
Bonds loans – current portion	57.6	139.9
Commercial paper	21.5	119.0
Factoring payables ⁽²⁾	12.8	7.5
Reverse factoring liabilities	5.2	-
Other current borrowings and debt with recourse	50.5	11.4
Finance lease liabilities ⁽¹⁾	22.6	25.9
Financial debt – current portion⁽³⁾	112.6	163.8
Current interest-bearing liabilities	170.1	303.7
Gross debt total	472.7	628.3

⁽¹⁾ Primarily liabilities relating to contracts refinanced with recourse. This debt is backed by customers' rental payments in which the Group retains a portion of the credit risk. The Group has therefore added back a similar amount of unassigned receivables in accordance with IAS 32 "Financial Instruments: Presentation".

⁽²⁾ Factoring liabilities consist of residual risks arising from factoring agreements.

⁽³⁾ Excluding bank overdrafts.

Convertible bonds

In March 2018, Econocom group issued OCEANE bonds in the amount of €200 million (€198.4 million after allocation of issue costs). Their main characteristics are detailed below:

- maturity: five years;
- annual coupon: 0.5%;
- issue price: €8.26.

If these bonds are not converted, they will be redeemed in cash on 6 March 2023 at a price of €8.26.

OCEANE bonds are compound instruments within the meaning of IAS 32. The characteristics of the OCEANE bonds provide for the possibility of conversion into a fixed number of shares for a fixed amount of cash. An equity component has been calculated by subtracting the debt component of the OCEANE, measured at the rate of the debt without a conversion option, in application of sections 29-30 of IAS 32, which define the “equity” component as residual. On initial recognition, and net of issue costs, the equity component amounted to €16.7 million and the debt component to €181.7 million.

Since November 2020, the Econocom group bought back convertible bonds (OCEANEs) for a total amount of €13.0 million. As a result, the “debt” component was derecognised against the cash paid for repayment, the difference being recognised in the statement of financial position for an amount of €0.2 million in 2021 and €0.9 million in 2020. The “Equity” component initially recognised and representing the premium sold attaching to the conversion option, is vested by the issuer and remains recognised in equity.

Non-convertible bonds

Euro PP

In May 2015, Econocom group SE took part in a €101 million bond issue (Euro PP) with eight institutional investors. The issue was in two tranches of €45.5 and €55.5 million, with respective maturities of five and seven years. They pay fixed-rate interest (2.364% in five years and 2.804% in seven years) and are redeemable upon maturity (*in fine*).

In June 2020, the Group repaid the first instalment.

Schuldschein

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 in respect of these notes to protect the Group against the interest rate risk on the floating-rate portion. The swap hedges the risk of a rise in interest rates; however, it provides that if EURIBOR is negative, Econocom bears the interest rate risk.

In the first half of 2021, the Group repaid a portion of the bond debt early for an amount of €115 million.

At the end of 2021, the Group repaid an additional tranche of €22 million.

Commercial paper

In October 2015, Econocom diversified its financing and set up a commercial paper programme (*Econocom group Société Européenne Billets de Trésorerie*). Through this programme, capped at €200 million, the Group optimises and diversifies in the short term the financial resources to

support its growth. This programme complements the Group's bank financing and gives it access to short-term liquidity under favourable and transparent conditions, since it borrows from the negotiable debt securities market.

Analysis of non-current interest-bearing liabilities by maturity

2021 in € millions	Total	1 to 5 years	Beyond 5 years
Lease payables relating to contracts refinanced with recourse (non-current portion)	41.4	41.4	-
Bonds	194.3	194.3	-
Other debt	66.9	66.9	-
Total	302.6	302.6	-

2020 in € millions	Total	1 to 5 years	Beyond 5 years
Lease payables relating to contracts refinanced with recourse (non-current portion)	50.3	50.3	-
Bonds	248.7	248.7	-
Other debt	25.6	25.6	-
Total	324.6	324.6	-

14.3. Net financial debt

The concept of net debt as used by the Group represents gross debt (see note 14.2) less gross cash (see note 14.1 "Cash and cash equivalents"). Gross debt includes all interest-bearing debt and debt incurred through the receipt of financial instruments.

It does not include:

- the gross purchase commitments of leased assets (liability) and residual interests in leased assets;
- the derivative instrument hedging Schuldschein notes; and
- lease liabilities.

Net debt 2021

in € millions	31 Dec. 2020	Cash flows	Non-cash flows				31 Dec. 2021
			Amortised cost of the loan	Changes in scope of consoli- dation	Conversion	Other	
Cash and cash equivalents*	649.3	(244.4)	-	7.5	1.4	(7.9)	405.9
Bank overdrafts**	(0.8)	0.7	-	-	-	0.1	0.0
Cash and cash equivalents net of bank overdrafts⁽¹⁾	648.5	(243.8)	-	7.5	1.4	(7.8)	405.9
Commercial paper and credit lines	(155.9)	84.5	-	-	-	(0.5)	(71.9)
Net cash at bank	492.7	(159.2)	-	7.5	1.4	(8.3)	334.0
Convertible bond (OCEANE)	(182.2)	4.4	(4.6)	-	-	-	(182.5)
Bond debt (Euro PP)	(56.3)	1.6	(1.6)	-	-	-	(56.4)
Bond debt (Schuldschein)	(150.0)	139.0	(2.0)	-	-	-	(13.0)
Leases refinanced with recourse	(76.2)	12.8	-	-	(0.6)	-	(64.0)
Factoring liabilities with recourse	(7.5)	1.7	-	(6.8)	(0.1)	-	(12.8)
Reverse factoring liabilities	-	(5.2)	-	-	-	-	(5.2)
Other non-current liabilities	(0.1)	(67.5)	-	-	-	0.7	(67.0)
Sub-total	(472.5)	86.6	(8.2)	(6.8)	(0.6)	0.7	(400.8)
(Net debt)/Cash surplus	20.2	(72.6)	(8.2)	0.7	0.7	(7.6)	(66.8)

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €0.0 million at 31 December 2021 and €0.8 million at 31 December 2020.

⁽¹⁾ The -€242.7 million change in net cash and cash equivalents net of bank overdrafts as shown in the statement of cash flows is equal to the sum of monetary outflows (€243.8 million), cash acquired (€7.5 million), translation adjustments (-€1.4 million) and translation losses (-€7.8 million).

Net financial debt corresponds to the amount after financing of Technology Management & Financing self-funded contracts in the amount of €208.3 million.

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Net debt 2020

<i>in € millions</i>	31 Dec. 2019	Cash flows	Amortised cost of the loan	Non-cash flows			31 Dec. 2020
				Changes in scope of consoli- dation	Conversion	Other	
Cash and cash equivalents*	593.8	31.3	-	25.6	(2.4)	0.9	649.3
Bank overdrafts**	(18.2)	18.1	-	-	-	(0.7)	(0.8)
Cash and cash equivalents net of bank overdrafts⁽¹⁾	575.6	49.5	-	25.6	(2.4)	0.2	648.5
Commercial paper and credit lines	(292.0)	130.3	-	3.4	-	2.4	(155.9)
Net cash at bank	283.6	179.8	-	29.0	(2.4)	2.7	492.7
Convertible bond (OCEANE)	(189.2)	11.6	(4.7)	-	-	-	(182.2)
Bond debt (Euro PP)	(102.3)	48.1	(2.1)	-	-	-	(56.3)
Bond debt (Schuldschein)	(149.9)	2.8	(2.9)	-	-	-	(150.0)
Leases refinanced with recourse	(90.3)	14.0	-	-	0.1	-	(76.2)
Factoring liabilities with recourse	(4.0)	(3.5)	-	-	-	-	(7.5)
Other non-current liabilities	-	(0.1)	-	-	-	-	(0.1)
Sub-total	(535.8)	72.9	(9.7)	-	0.1	-	(472.5)
(Net debt)/Cash surplus	(252.2)	252.6	(9.7)	29.0	(2.2)	2.7	20.2

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €0.8 million at 31 December 2020 and €18.2 million at 31 December 2019.

(1) The €72.9 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 (€49.5 million), cash acquired (€25.6 million) less translation adjustments (-€2.4 million) and translation losses (-€0.2 million).

15. Equity items

15.1. Share capital

Following the exercise of 1,401,550 stock options, Econocom group SE issued 1,401,550 new shares in the second half of 2021, bringing its share capital to €23,662,015. The total number of shares was thus increased to 222,281,980.

	Number of shares			Value in € millions		
	Total	Self-checking ⁽¹⁾	Outstanding	Share capital	Issue premium	Treasury shares
At 1 January 2020	245,380,430	23,458,144	221,922,286	23.5	213.6	(90.9)
Purchases of treasury shares, net of sales	-	10,871,023	(10,871,023)	-	-	(25.6)
Exercise of options and award of free shares	-	(50,000)	50,000	-	-	-
Capital increase	-	-	-	-	-	-
Destruction of treasury shares	(24,500,000)	(24,500,000)	-	-	-	93.5
Refund of issue premium	-	-	-	-	-	-
At 31 December 2020	220,880,430	9,779,167	211,101,263	23.5	213.6	(23.0)
Purchases of treasury shares, net of sales		27,823,984	(27,823,984)			(83.0)
Exercise of options and award of free shares		(300,000)	300,000			
Capital increase	1,401,550		1,401,550	0.2	3.7	
Destruction of treasury shares						
Refund of issue premium					(22.5)	
At 31 December 2021	222,281,980	37,303,151	184,978,829	23.7	194.8	(106.0)

⁽¹⁾ At 31 December 2021, all of the shares are in their own account.

The number of dematerialised shares stands at 160,382,730.

The number of registered shares is 61,899,250, a total of 222,281,980.

Bearer shares

In 2019, following claims from two shareholders (for a total of 6,488 shares) from Caisse des Dépôts et Consignations, the number of Econocom group shares registered in the name of Caisse des Dépôts et Consignations in our register amounts to 1,085,668 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 2021, as there were no shareholder claims, at 31 December 2021, the number of Econocom group shares registered in the name of Caisse des Dépôts et Consignations in the register of shares remained unchanged at 1,078,244 shares.

15.2. Changes in equity attributable to owners of the parent

At 31 December 2021, equity attributable to owners of the parent amounted to €385.9 million (€406.1 million at 31 December 2020). The table below shows changes in this item:

<i>in € millions</i>	Attributable to owners of the parent
At 31 December 2020	406.1
Impact of changes in accounting standards or policies (IFRIC IAS 19)	0.9
Comprehensive income	70.7
Share-based payments, net of tax	1.9
Refund of issue premiums/Payments to shareholders	(22.5)
Capital increase	3.9
Treasury share transactions	(83.0)
Change in fair value of liabilities under put options	(3.0)
Impact of put options granted to non-controlling shareholders	12.6
Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares	-
Miscellaneous (transactions impacting non-controlling interests and other transactions)	(1.6)
At 31 December 2021	385.9

15.3. Changes in equity not recognised in profit or loss

15.3.1. ECONOCOM GROUP SHARE-BASED PAYMENTS

The Group regularly awards stock purchase and subscription options, as well as free shares, to Management, certain corporate officers and select 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.

15.3.1.1. Stock subscription and purchase option plans

Stock subscription and purchase option plans have been granted to some of the Group’s employees and corporate officers for an agreed unit price. Stock subscription and purchase option plans are equity-settled share-based payment transactions. In accordance with the number of options expected to vest, the fair value of the options

granted is expensed over the vesting period. When the options are exercised, equity is increased by the proceeds received.

The characteristics of these plans are detailed below. It should be noted that the number of options granted remains unchanged but that owing to the share split, the number of rights attached to each option has doubled.

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<i>Stock option plans</i>		2014 Options ⁽¹⁾			2017 Options ⁽²⁾	Total
Year granted	2014	2015	2016	2017		
Options outstanding at 31 December 2020	1,599,620	356,800	85,000	90,000	2,131,420	
Options granted during the period	-	-	-	-	-	
Options exercised during the period ⁽³⁾	(1,024,775)	-	-	-	(1,024,775)	
Options lapsed, forfeited or cancelled	(574,845)	-	-	-	(574,845)	
Options outstanding at 31 December 2021	-	356,800	85,000	90,000	531,800	
Rights granted in number of shares (comparable) at 31 December 2020	3,199,240	713,600	170,000	90,000	4,172,840	
Rights granted in number of shares (comparable) at 31 December 2021	648,000	713,600	170,000	90,000	1,621,600	
Option exercise price (in €)	5.52	7.70	11.48	6.04		
Share purchase price (in €)	2.76	3.85	5.85	6.04		
Average share price at the exercise date	3.50	-	-	-		
Expiry date	Dec. 2021	Dec. 2022	Dec. 2023	Dec. 2023	-	

(1) In December 2014, the Board of Directors approved a plan to issue 2,500,000 stock subscription rights. These options were issued by the Compensation Committee in 2014 (2,075,000 options), 2015 (360,000 options) and 2016 (105,000 options). The formula adopted will allow Econocom group to issue new shares upon exercise of these options.

(2) In May 2017, the Board of Directors approved a plan to issue 2,000,000 stock subscription rights, 1,950,000 of which were issued in December 2017 by the Compensation Committee. These options will also give rise to the issue of new shares.

(3) Of which 324,000 options (giving entitlement to 648,000 shares) were exercised at the end of December 2021 and resulted in the allocation of underlying shares in January 2022.

The fair values of the options were measured at the grant date using the Black-Scholes-Merton mathematical option pricing model. The table below shows the measurements along with the main assumptions used:

General information		Initial measurement assumptions (IFRS 2)					
Plan	Year granted	Options outstanding	Fair value	Volatility	Vesting period	Estimated future dividend in %	TISR ⁽¹⁾
	2014	324,000	0.73	28%	4 years	2%	0.32%
2014	2015	356,800	1.00	28%	4 years	2%	0.35%
	2016	85,000	1.65	30%	4 years	2%	0.02%
2017	2017	90,000	1.08	29%	4 years	2%	0.13%

⁽¹⁾ TISR: risk-free interest rate.

Options are measured at fair value at the grant date in accordance with IFRS 2.

Volatility is calculated by an actuary based on a four-year record of daily prices preceding the option grant date, in line with the maturity of the options.

A detailed description of these stock option plans can be found in section 5.10 of the Management Report.

15.3.1.2. Free share plan

In July 2021, the Board of Directors of Econocom granted 2,000,000 free shares.

Vesting may be subject to the achievement of individual and/or collective objectives, that may be internal and/or external to the Econocom group.

As at 31 December 2021, 3,000,000 free shares had not been fully vested.

		Free shares unvested as of 31 Dec. 2020	Award	Vesting	Loss or cancellation	Free shares unvested as of 31 Dec. 2021	Vesting date
	3	60,000			(60,000)	-	March 2021
2018	4	60,000			(10,000)	50,000	March 2022
	5	60,000			(10,000)	50,000	March 2023
	1	300,000		(300,000)		-	July 2021
2020	2	900,000				900,000	July/Sept. 2022
	3	400,000			(400,000)	-	July 2023
	1		400,000			400,000	July 2022
2021	2		900,000			900,000	July 2023
	3		700,000			700,000	July 2024
Total		1,780,000	2,000,000	(300,000)	(480,000)	3,000,000	-

Each tranche is contingent on the employee being present in the Group throughout the vesting period, and on a series of conditions relating to performance and in some cases, share price.

15.3.1.3. Econocom group share-based payment expense in the income statement

The total expense taken to profit or loss in 2021 in respect of share-based payments amounted to €2.7 million, and was recorded in employee benefits expense within profit (loss) from current operating activities.

The total expense taken to profit or loss in 2020 in respect of share-based payments amounted to €0.8 million, and was recorded in employee benefits expense within profit (loss) from current operating activities.

15.3.2. PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The impact of provisions for pensions and other post-employment benefits on consolidated equity is set out in note 17.

15.3.3. TREASURY SHARES

Treasury shares and the related transaction costs are recorded as a deduction from equity. When they are sold, the consideration received in exchange for the shares net of the transaction costs is recorded in equity.

At 31 December 2021, the Group held 37,303,151 treasury shares (*i.e.*, 16.78% of the total number of shares) through the

parent company Econocom group SE and its subsidiaries.

15.3.4. DIVIDEND

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 €0.14 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 2022⁽¹⁾	Issue premium refunded in 2021	Dividend paid in 2020
Total dividend in € millions	25.9	22.5	25.7
Dividend per share in € (after the share split)	0.14	0.12	0.12

⁽¹⁾ Calculated based on the total number of shares outstanding at 31 December of each year.

As this refund of the issue premium is subject to the approval of the General Meeting, it is not recognised as a liability in the consolidated financial statements for the year ended 31 December 2021.

15.3.5. CURRENCY TRANSLATION RESERVES

Currency translation reserves correspond to the cumulative effect of the consolidation

of subsidiaries with functional currencies other than the euro. Foreign exchange gains and losses recorded in equity attributable to owners of the parent and non-controlling interests represented a decrease of €4.8 million *versus* a decrease of €10.0 million at 31 December 2020. At 31 December 2021, changes in this item result chiefly from fluctuations in the value of the pound sterling and Polish zloty.

15.4. Change in non-controlling interests

At 31 December 2021, non-controlling interests amounted to €58.4 million (€66.8 million at 31 December 2020). The table below shows changes in this item:

<i>in € millions</i>	Non-controlling interests
At 31 December 2020	66.9
Share of comprehensive income attributable to non-controlling interests	4.9
Impact of put options granted to non-controlling shareholders	(12.6)
Reclassifications between equity attributable to owners of the parent and non-controlling interests following acquisitions of additional shares	-
Miscellaneous transactions impacting reserves of non-controlling interests	(0.7)
At 31 December 2021	58.4

The share of profit recognised in the income statement for non-controlling interests represents +€4.7 million for 2021 (compared with +€3.4 million in 2020).

15.5. Information regarding non-controlling interests

At 31 December 2021, non-controlling interests primarily concerned Econocom's "Satellites" in Products & Solutions and Services: Altabox, Asystel Italia, Exaprobe and Helis.

Together these companies accounted for 10.3% of total assets and 24.0% of consolidated equity at 31 December 2021. Taken individually, none of these entities represents a significant percentage of

Econocom group's total assets or consolidated equity.

Current accounts granted to these companies by Econocom Finance SNC amounted to -€31.2 million at 31 December 2021.

After eliminating items between these companies and other Group companies, these entities contributed €399.6 million to revenue in 2021.

16. Provisions

The Group recognises provisions when it has a legal or constructive obligation towards a third party as a result of past events which is likely to result in an outflow of resources that can be measured reliably.

The amount recognised represents the best estimate of the expenditure expected to be required to settle the present obligation, taking into account the risks and uncertainties known at the reporting date.

Long-term provisions

Long-term provisions cover risks which are not reasonably expected to materialise for several years, and concern social risks. They are discounted if required.

Short-term provisions

Short-term provisions primarily correspond to provisions for claims related to the Group's normal operating cycle and which are expected to be settled within 12 months.

They mainly include:

- provisions for social risks (including risks arising from reorganisation measures);
- tax and legal risks (disputes in progress with customers, suppliers, agents or tax authorities);
- deferred commissions (calculated contract by contract based on the residual value of leased assets, less any residual commercial value of the contracts concerned);
- other provisions.

Contingent liabilities

Other than the general risks described in note 19, 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 €6.6 million cover future costs related particularly to the reorganisation of certain entities, on the one hand, and litigation with former employees, on the other.

Provisions for tax, legal and commercial risks

This item includes provisions for legal and commercial risks in the amount of €15.3 million, which mainly cover the risks related to ongoing litigation with customers.

Provisions for other risks

Provisions for other risks (€7.7 million) cover a wide variety of risks.

Change in 2021 provisions

<i>in € millions</i>	31 Dec. 2020	Changes in scope of consolidation	Addi- tions	Rever- sals (not used)	Rever- sals used	Other and exchange differences*	31 Dec. 2021
Restructuring and social risks	4.9	1.0	3.6	(1.5)	(1.6)	0.2	6.7
Tax, legal and commercial risks	23.0	(0.4)	5.1	(2.7)	(5.4)	(3.4)	16.2
Deferred commissions	1.4	-	0.2	(0.1)	(0.0)	-	1.4
Other risks	20.0	(2.8)	1.0	(2.4)	(1.2)	(7.0)	7.7
Total	49.2	(2.2)	9.9	(6.7)	(8.2)	(10.2)	31.9
Long-term	11.5	0.9	0.3	(1.0)	-	(6.7)	5.0
Short-term	37.7	(3.1)	9.6	(5.7)	(8.2)	(3.5)	26.9

Profit (loss) impact of movements in provisions

Profit (loss) from continuing operations			7.9	(5.8)	(6.8)		
Profit (loss) from discontinued operations			2.0	(0.4)	(1.4)		
Income tax expense			-	(0.6)	-		
Profit (loss) from discontinued operations			-	-	-		

* Mainly corresponding to balance sheet reclassifications

Change in 2020 provisions

<i>in € millions</i>	31 Dec. 2019	Changes in scope of consolidation	Addi- tions	Rever- sals (not used)	Rever- sals used	Other and exchange differences	31 Dec. 2020
Restructuring and social risks	6.7	-	2.4	(0.4)	(4.0)	0.3	4.9
Tax, legal and commercial risks	19.2	-	12.3	(3.7)	(3.8)	(1.0)	23.0
Deferred commissions	1.5	-	-	(0.1)	(0.1)	-	1.4
Other risks	8.5	3.7	12.7	(4.6)	(0.3)	-	20.0
Total	35.8	3.7	27.4	(8.7)	(8.1)	(0.7)	49.2
Long-term	3.3	-	9.7	(0.7)	(0.6)	-	11.5
Short-term	32.6	3.7	17.7	(8.0)	(7.5)	(0.7)	37.7

Profit (loss) impact of movements in provisions

Profit (loss) from continuing operations			11.6	(8.4)	(4.5)		
Profit (loss) from discontinued operations			8.8	(0.3)	(3.2)		
Income tax expense			-	-	(0.4)		
Profit (loss) from discontinued operations			7.0	-	-		

17. Provisions for pensions and other post-employment benefit obligations

17.1. Description of pension plans

Post-employment benefits are granted under defined contribution plans or defined benefit plans.

17.1.1. 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: pensions plans in Belgium

The Belgian "Vandenbroucke Law" states that employers must guarantee a minimum return on employee contributions. All Belgian defined contribution plans are therefore treated as defined benefit plans in accordance with IFRS.

As from 1 January 2016, the Group has been required to guarantee a minimum return for contributions paid in. The return depends on the yield on Belgian 10-year government bonds but should be between 1.75% and 3.25%. There will be no distinction made between employer and employee contributions.

Employers are exposed to a financial risk as a result of this guaranteed minimum return for defined contribution plans in Belgium, since they have a legal obligation to pay additional contributions if the plan does

not have sufficient assets to pay all benefits relating to past service costs.

These plans are classified and accounted for as IAS 19 defined benefit plans.

17.1.2. 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 postemployment plans primarily concern the benefits described below:

- severance pay in France:
 - ▶ lump-sum benefits calculated according to the employee's years of service and his/her average compensation over the last 12 months prior to his/her departure,
 - ▶ the calculation is based on inputs defined by the Human Resources Department in France in November each year,

- ▶ the calculated amount is set aside under provisions in the balance sheet;
- termination benefits in Italy:
 - ▶ rights vested by employees for each year of service *pro rata* to their gross annual compensation, revised every year and paid in advance or upon retirement, voluntary departure or termination,
 - ▶ the calculated amount is set aside under provisions in the balance sheet.

At Econocom International Italia and Asystel Italia, all rights arising after 1 January 2007 have been transferred to an external entity and provisions therefore only concern rights vested at 31 December 2006 for which the Group was still liable at 31 December 2021.

Since Italy requires rights to be transferred to a third party or treasury fund as from a certain threshold only, certain rights relating to Bizmatica were kept on the Group's books.

- "Group" insurance in Belgium:
 - ▶ defined contribution plans, which provide a guaranteed return on payments made by the employer and the employee, payable as either a lump-sum benefit or equivalent annuity, or compensation in the event of death during employment. As the payment guaranteed by the insurance company is uncertain, the Group presents these plans as defined benefit plans, even though the amount of such plans in the balance sheet is subject to only minimal changes.

The Group has plan assets in France and Belgium. The expected rate of return on plan assets has been set at the same level as the rate used to discount the obligation.

Provisions for pensions and other post-employment benefit obligations for activities held for sale are recognised under "Liabilities held for sale".

The amounts which Econocom expects to pay directly in 2022 in respect of its employer contribution to the bodies in

charge of collecting contributions, will represent around €1 million.

17.2. 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⁾	
	2021	2020	2021	2020
Retirement age	55-65 years old	63-65 years old	60-65 years old	60-65 years old
Salary increase rate and rights vested	2.40%	2.20%	2.40	2.00% - 2.84%
Inflation rate	1.90%	1.70%	1.90%	1.70%
Discount rate	0.90%	0.35%	0.90%	0.35%
Mortality table	INSEE 2014-2016	INSEE 2014-2016	-	-

⁽¹⁾ Individually, the "Other countries" had an immaterial impact.

The employee turnover rate was determined based on statistics for each country and business. The employee turnover rate is applied depending on the age band of each employee and, for certain countries, depending on the employee's status (managerial grade/non-managerial grade).

A decrease of around 0.25 percentage points in the discount rate would lead to an increase in the provision of approximately €1.5 million. A 0.25 percentage point increase in the discount rate would lead to a €1.4 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.

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020
Present value of obligation (a)	64.7	70.7
Present value of assets (b)	26.7	27.4
Impact of discontinued activities and disposals (c)	1.8	1.7
Provision for pension obligations (a) – (b) – (c)	36.2	41.5
Long-service awards	0.3	0.2
Provisions for pension and other post-employment benefit obligations	36.5	41.8

17.3. Income and expenses recognised in profit or loss

Items of pension cost

<i>in € millions</i>	31 Dec. 2021	31 Dec. 2020 restated*
Service cost	(3.7)	(3.4)
Curtailement/termination	2.3	2.1
Interest expense	(0.2)	(0.3)
Expected return on plan assets	0.1	0.2
Total costs recognised in profit or loss	(1.4)	(1.3)
Total costs recognised in other items of comprehensive income	(4.3)	1.4

* In accordance with IFRS 5 (see 2.2.4.), 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 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". Curtailments and terminations are mainly included in Non-recurring operating income and expenses.

17.4. Changes in provisions recorded in the balance sheet

Changes in the 2021 provision

<i>in € millions</i>	31 Dec. 2020	Changes in scope of consolidation	Income statement	Benefits paid directly	IFRS 5	Actuarial gains and losses ⁽¹⁾	31 Dec. 2021
France	34.2	(0.4)	1.4	(0.6)	-	(3.2)	31.4
Other countries	7.3	-	(0.0)	-	(1.5)	(1.1)	4.8
Provisions for pensions	41.5	(0.4)	1.4	(0.6)	(1.5)	(4.3)	36.2
Long-service awards (France)	0.2	-	0.1	-	-	-	0.3
Total	41.8	(0.4)	1.5	(0.6)	(1.5)	(4.3)	36.5

⁽¹⁾ Cumulative revaluation gains and losses carried in other comprehensive income represented a net negative amount of €1 million in 2021 and €5.1 million in 2020, i.e., a change of €4.1 million between the two periods, resulting primarily from the change in actuarial assumptions and from changes in scope of consolidation.

Changes in the 2020 provision

<i>in € millions</i>	31 Dec. 2019	Changes in scope of consoli- dation	Income statement	Benefits paid directly	Actuarial gains and losses ⁽¹⁾	31 Dec. 2020
France	30.5	2.7	0.9	(0.4)	0.5	34.2
Other countries	6.6	-	0.5	(0.6)	0.8	7.3
Provisions for pensions	37.1	2.7	1.4	(1.0)	1.4	41.5
Long-service awards (France)	0.3	-	-	-	-	0.2
Total	37.4	2.7	1.4	(1.0)	1.4	41.8

⁽¹⁾ Cumulative revaluation gains and losses carried in other comprehensive income represented a net negative amount of €5.1 million in 2020 and €4.3 million in 2019, i.e., a change of -€0.8 million between the two periods, resulting primarily from the change in actuarial assumptions and from changes in scope of consolidation.

17.5. Changes in plan assets

Changes in 2021 plan assets

<i>in € millions</i>	31 Dec. 2020	Effects from changes in scope of consolidation	Expected return	Benefits paid by employer	Benefits paid by fund	Curtailment/ termination	Actuarial gains and losses	31 Dec. 2021
France	2.0	-	0.0	-	(0.6)	-	-	1.5
Other countries ⁽¹⁾	25.4	(0.6)	0.1	1.0	(1.4)	0.2	0.5	25.2
Total	27.4	(0.6)	0.1	1.0	(2.0)	0.2	0.5	26.7

⁽¹⁾ Including €25.2 million at 31 December 2021 relating to Belgian entities.

These plan assets are mainly invested in financial investments with banks and insurance companies.

Changes in 2020 plan assets

<i>in € millions</i>	31 Dec. 2019	Effects from changes in scope of consolidation	Expected return	Benefits paid by employer	Benefits paid by fund	Curtailment/ termination	Actuarial gains and losses	31 Dec. 2020
France	3.1	(0.8)	0.1	-	(0.4)	-	-	2.0
Other countries ⁽¹⁾	24.1	-	0.2	1.0	(0.6)	0.2	0.5	25.4
Total	27.3	(0.8)	0.2	1.0	(1.0)	0.2	0.5	27.4

⁽¹⁾ Including €24.8 million at 31 December 2020 relating to Belgian entities.

17.6. 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:

<i>in € millions</i>	Due in less than 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
Estimated payments	2.5	1.2	1.8	5.0	29.4	39.9

18. Notes to the consolidated statement of cash flows

Definition of cash flows

Cash flows are presented in the statement of cash flows, which analyses changes in cash flows from all activities, including continuing and discontinued operations as well as activities held for sale.

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts.

Year-on-year changes in cash and cash equivalents can be broken down as follows in 2021 and 2020:

<i>in € millions</i>	2021	2020
Net cash and cash equivalents at 1 January	648.5	575.6
Change in net cash and cash equivalents	(242.7)	72.9
Net cash and cash equivalents at 31 December	405.9	648.5

18.1. Comments on the net cash flows from (used in) operating activities

Net cash flows from (used in) operating activities totalled +€63.4 million in 2021 compared to +€222.7 million in 2020, reflecting:

- cash flow from operating activities totalling €133.1 million in 2021 versus €101.3 million in 2020;
- an increase in outstandings related to self-funded contracts in the Technology Management & Financing activity for €22.4 million in 2021 (compared to a

decrease of €52.6 million in 2020); the change between 2020 and 2021 is the result of an increase in the leasing of strategic assets financed with equity, which had been deliberately limited over the last two years;

- further increases in working capital requirements of €22.0 million in 2021 (compared to a decrease of €82.9 million in 2020), including in particular €48.0 million in purchases and conversion of vessels into inventories.

18.1.1. NON-CASH EXPENSES (INCOME)

<i>in € millions</i>	Notes	2021	2020 restated*
Elimination of share of profit (loss) of associates and joint ventures			-
Depreciation/amortisation of tangible and intangible assets	10.1/10.2	39.7	41.9
Net additions to (reversals from) provisions for contingencies and expenses		(4.4)	4.4
Change in provisions for pensions and other post-employment benefit obligation		0.9	0.1
Impairment of non-current financial assets		-	-
Impairment of trade receivables, inventories and other current assets		(18.6)	(1.8)
Total provisions, depreciation, amortisation and impairment		17.6	44.5
Change in residual interest in leased assets⁽¹⁾		5.7	(3.3)
Cost of discounting residual interest in leased assets and gross commitments on residual financial assets		(1.3)	(2.3)
Losses (gains) on disposals of property, plant and equipment and tangible and intangible assets		-	4.0
Gains and losses on fair value remeasurement	2.4	(0.7)	0.4
Expenses calculated for share-based payments		1.9	1.3
Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents		(9.9)	(23.6)
Other non-cash expenses (income)		(10.1)	(20.3)
Non-cash expenses (income)		13.2	20.9

⁽¹⁾ Changes in the Group's residual interest in leased assets compare the undiscounted value of the residual interest from year to year, adjusted for currency impacts. The impact for the period of discounting is eliminated in the "Other non-cash expenses (income)" item.

* In accordance with IFRS 5, the restatement of the 2020 figures reflects the reclassification of operations considered discontinued in 2021 to Net change in cash and cash equivalents from discontinued operations.

18.1.2. 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:

<i>in € millions</i>	2021 consolidated income statement	Discounting and change in fair value	Currency impact and other	Cost of net debt in 2021
Net financial expense – operating activities	0.3	(1.3)	3.0	2.0
Other financial income and expenses ⁽¹⁾	(9.8)	(0.2)	(2.6)	(12.7)
Total	(9.5)	(1.5)	0.4	(10.6)

⁽¹⁾ Including accrued interest on amortised OCEANES in the amount of €3.4 million.

18.1.3. CHANGE IN WORKING CAPITAL REQUIREMENT

Change in working capital requirement can be analysed as follows:

<i>in € millions</i>	Notes	31 Dec. 2020	Change in working capital require- ment in 2021	Reclass. assets/ liabilities held for sale	Other changes⁽¹⁾	31 Dec. 2021
Other long-term receivables, gross	10.4	24.5	(1.9)	0.0	0.7	23.3
Inventories, gross	12.1	85.9	43.1	(1.0)	1.7	129.8
Trade receivables, gross	12.2	970.6	(107.7)	(20.4)	8.4	850.8
Other receivables, gross	11.1	175.2	-	-	(4.6)	170.7
Residual interest in leased assets ⁽²⁾		12.6	-	(0.5)	(0.9)	10.9
Current tax assets	12.2	17.4	2.1	(1.3)	1.5	19.7
Other current assets	12.2	30.4	(0.7)	0.1	(2.6)	27.1
Trade receivables and other operating assets		1,316.7	(65.1)	(23.1)	4.2	1,232.3
Other non-current liabilities		(6.6)	(1.8)	(0.0)	(0.9)	(9.3)
Trade payables	11.2	(103.7)	7.4	(1.3)	(0.5)	(98.1)
Other payables		(13.2)	(1.0)	(0.4)	(2.6)	(17.2)
Current tax liabilities	12.3	(992.1)	100.3	18.1	(8.5)	(882.0)
Other current liabilities	12.4	(62.9)	7.4	2.3	1.1	(52.1)
Gross commitments on residual financial assets ⁽³⁾	12.4	(127.5)	(2.8)	0.7	(2.5)	(132.1)
Trade and other operating payables		(1,306.0)	109.6	19.4	(13.9)	(1,190.8)
Total change in working capital requirements			44.5			

⁽¹⁾ Mainly corresponding to changes in the scope of consolidation, in fair value and translation adjustments.

⁽²⁾ Changes in the residual interest in leased assets are shown in cash flows from operating activities.

⁽³⁾ Corresponding to changes in residual financial assets excluding the currency effect and discounting in the period.

18.2. Breakdown of net cash flows from (used in) investing activities

Net cash flows from investing activities totalled -€6.6 million, primarily reflecting:

- cash outflows of €15.3 million resulting from investments in tangible and intangible assets relating to the Group's IT infrastructure and applications (see note 10);
- net cash inflows of €6.2 million mainly related to the disposal of Alter Way and the acquisition of Trams, less payments of earn-outs and deferred debt;
- net cash inflows of €2.6 million mainly related to the disposal of investment securities.

18.3. Breakdown of net cash flows from (used in) financing activities

Net cash flows from financing activities amounted to -€296.5 million, mainly reflecting:

- cash outflows of €82.9 million relating to treasury share buybacks;
- disbursements in the amount of €3.3 million related to the buybacks of OCEANE bonds (see note 14);
- dividend payments of €23.9 million to Group or subsidiary shareholders;
- the repayment of commercial paper in the amount of €97.5 million;
- outflows of €52.2 million in repayments of financial debts;
- lease payments in the amount of €20.3 million related to leases where Econocom is the lessee (buildings and vehicles) and presented here in accordance with IFRS 16;
- the decrease in lease refinancing liabilities of €13.1 million;
- interest payments totalling €7.9 million in the year (including coupon payments on bonds loans);
- capital increase in the amount of €4.6 million.

19. Risk management

19.1. Capital adequacy framework

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 15.3.3.

The only potentially dilutive instruments are free shares granted under performance share plans, stock options (see note 15) and convertible bonds (see note 14).

19.2. 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 finance lease receivables to refinancing institutions and by using factoring solutions on a non-recourse basis in the Services and Products & Solutions businesses. Financial market risks (interest

rate and foreign exchange risk) and liquidity risks are handled by Group Management.

19.2.1. MARKET RISK

At the end of the year, Group Management fixes all of the rates to be applied in the following year's budgeting process.

The Group manages its exposure to interest rate and foreign exchange risks by using hedging instruments such as swaps and foreign exchange forward contracts. These derivative financial instruments are used purely for hedging and never for speculative purposes.

19.2.1.1. Foreign exchange risk

The Group operates chiefly in the eurozone; however, following the expansion of operations in non-eurozone countries in Europe, as well as North and South America, the Group may be exposed to foreign exchange risk on other currencies. The table below summarises the sensitivity of certain consolidated income statement lines to an increase or decrease of 10% in exchange rates against the euro, linked to the translation of the subsidiaries' foreign currency accounts.

Sensitivity of income statement

in € millions	Contribution to the consolidated financial statements						Sensitivity to a change of:	
	EUR	GBP	USD	PLN	Other currencies	Total	+10%	(10%)
Revenue from continuing operations	2,324.4	71.0	84.8	14.8	9.6	2,504.7	(16.4)	+20.0
Profit (loss) from continuing operations	120.7	1.1	7.8	0.2	3.7	133.5	(1.2)	+1.4
Profit	57.0	0.5	7.4	0.2	5.0	70.1	(1.2)	+1.5

Since the subsidiaries' purchases and sales are mainly denominated in the same currency, this exposure is limited. Econocom group does not deem this risk to be material.

The Group may also be required to manage finance 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.

19.2.2. INTEREST RATE RISK

Econocom's operating income and cash flows are substantially independent of changes in interest rates. Sales of leases to refinancing institutions are systematically based on fixed rates. Income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

The table below presents a breakdown of fixed-rate and floating-rate debt:

in € millions	At 31 December 2021		At 31 December 2020	
	Outstanding	% total debt	Outstanding	% total debt
Fixed rate ⁽¹⁾	316.0	67%	464.9	74%
Floating rate ⁽²⁾	156.7	33%	163.5	26%
Gross debt⁽²⁾ (see note 14.2)	472.7	100%	628.3	100%

(1) Of which the OCEANE convertible bond (issued in March 2018. In 2020, one tranche of the "Schuldschein" notes (€115 million) repaid in May 2021 bore interest at floating rates; however, an interest rate swap had been set up at the outset to convert this floating rate to a fixed rate.

(2) Excluding bank overdrafts.

At 31 December 2021, some of the Group's debt is at floating rates and comprises short-term borrowings (credit lines and commercial paper), and short-term factoring agreements.

The interest rate sensitivity analysis shows that a 1% (100 basis point) rise in short-term interest rates would result in a €1.8 million impact on in profit (loss) before tax.

19.2.3. PRICE RISK

The Group is exposed to the risk of fluctuations in the residual interests 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, thereby guarding against the risk of obsolescence. This method is described in note 11.1.

The credit lines negotiated in place at 31 December 2021 are shown below:

<i>2021 in € millions</i>	Total amount available	Total amount drawn down
Unconfirmed credit lines ⁽¹⁾	86	-
Confirmed credit lines	273	-
Total credit lines	359	-

⁽¹⁾ Repayment schedule not defined.

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 on the French market. At 31 December 2021, the amount outstanding under this

The method is regularly compared with actual transactions, and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

19.2.4. 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 for the Group's 15 main companies;
- by negotiating and maintaining sufficient outstanding lines of financing;
- by optimising the Group's cash pooling system in order to offset cash surpluses and internal cash requirements.

programme (capped at €200 million) was €21.5 million.

The characteristics of bond loans are set out in note 14.2.

Based on its current financial forecasts, Econocom Management believes it has sufficient resources to ensure the continuity and development of its activities.

Maturity analysis for financial liabilities (excluding derivative instruments) and other liabilities (including liabilities under put and call options)

The following maturity analysis for financial liabilities (principal and interest) shows remaining contractual maturities on an undiscounted basis:

<i>2021 in € millions</i>	Total commitment	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	58.7	18.0	40.7	-
Gross commitments on residual financial assets	104.3	24.2	80.1	-
Liabilities relating to contracts refinanced with recourse	149.0	65.6	67.8	15.5
Bank debt, commercial paper and other	71.9	45.0	26.9	-
Convertible loans bonds (OCEANE)	187.8	0.9	186.9	-
Non-convertible loans bonds (Euro PP/Schuldschein)	70.6	57.3	13.3	-
Acquisition-related liabilities	56.7	47.1	4.7	4.8
Other non-current liabilities	9.3	5.4	4.0	-
Trade payables	707.3	707.3	-	-
Other payables (excluding derivative instruments)	174.7	174.7	-	-
Other current liabilities	12.8	12.8	-	-
Total	1,603.2	1,158.5	424.5	20.2

<i>2020 in € millions</i>	Total commitment	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	57.5	22.5	35.0	-
Gross commitments on residual financial assets	111.0	29.8	81.2	-
Liabilities relating to contracts refinanced with recourse	83.8	33.5	50.4	-
Bank debt, commercial paper and other	155.9	130.4	25.5	-
Convertible loans bonds (OCEANE)	192.4	1.0	191.4	-
Non-convertible loans bonds (Euro PP/Schuldschein)	212.0	141.5	70.6	-
Acquisition-related liabilities	61.8	13.4	48.5	-
Other non-current liabilities	6.6	6.6	-	-
Trade payables	775.2	775.2	-	-
Other payables (excluding derivative instruments)	215.7	215.7	-	-
Other current liabilities	5.5	5.5	-	-
Total	1,877.5	1,375.0	502.6	-

19.2.5. 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. For its Technology Management & Financing business, the Group nevertheless has the option of retaining the credit risk on certain strategic transactions; lease contracts on which Econocom bears the counterparty risk represent less than

10% of outstanding rentals in the TMF business. The Group concentrates its strategic transactions bearing credit risk within its subsidiary Econocom Digital Finance Limited to ensure a consistent risk management approach.

The Group only invests with investment grade counterparties, thus limiting its credit risk exposure.

Maximum credit risk exposure

As the Group has no credit derivatives or continuing significant involvement in the transferred assets, its maximum exposure in this respect is equal to the book value of its financial assets (see note 13.1).

Aged balance of past due receivables

2021 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	71.4	65.0	6.5	2.0	0.3	4.2
Other receivables, gross	711.6	573.0	138.5	53.7	5.4	79.3
Impairment of doubtful receivables	(50.9)	(16.2)	(34.7)	(0.2)	(0.4)	(34.1)
Trade and other receivables, net	732.1	621.9	110.3	55.5	5.3	49.4

19.2.6. 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 2021 are deducted from shareholders' equity in the consolidated financial statements as of their acquisition, it is not necessary to compare their book value to their actual market value.

20. 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

For the disposals which took place in 2020 and 2021, the vendor warranties granted by the Group were not material.

20.3. Bank covenant

Only one covenant exists for the Euro PP private placement loan bond and the Schuldschein notes (private placement under German law). 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. It is calculated as of 31 December of each year, and corresponds to the ratio of net debt to *pro-forma* EBITDA. It may not exceed three over two consecutive years. At 31 December 2021, this covenant was respected.

20.4. Guarantee commitments

<i>in € millions</i>	Total guarantees given – 2021
Guarantees given by Econocom to banks for securing credit lines and borrowings ⁽¹⁾	462.4
Guarantees given by Econocom to refinancing institutions to cover certain operational risks, residual financial values, and invoice and payment mandates granted to Econocom ⁽²⁾	298.2
Guarantees given to customers and suppliers for the Group's sales activities and other	192.0
Total guarantees given	952.6

⁽¹⁾ Including €107.4 million recognised in financial debt. The guarantees relating to financing lines not yet drawn at 31 December 2021 totalled €355.1 million and €295.7 million at 31 December 2020.

⁽²⁾ Including €206.9 million refinanced at 31 December 2021, including €64.0 million in the balance sheet relating to liabilities under finance leases with recourse. The amount of guarantees given to refinancers and not refinanced at 31 December 2021 was €91.3 million compared with €64.6 million at 31 December 2020.

The Group's off-balance sheet commitments can be analysed as follows by maturity and type of commitment:

<i>in € millions</i>	Less than one year	1-5 years	More than five years	At 31 Dec. 2021	At 31 Dec. 2020
Commitments given	60.8	676.9	214.9	952.6	764.2
Commitments given to banks	27.4	435.0	-	462.4	351.1
Commitments given to refinancers	-	83.3	214.9	298.2	291.3
Commitments given to customers and suppliers	33.3	157.6	-	190.9	121.8
Other guarantees	0.1	1.0	-	1.1	-
Commitments received	0.6	4.9	0.6	6.0	2.0
Guarantees and pledges	0.6	4.9	0.6	6.0	2.0

21. Information on the transfer of financial assets and liabilities

21.1. Derecognition of financial assets and liabilities

The 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.

The Group only derecognises all or part of a financial liability when it is extinguished, *i.e.*, when the obligation specified in the contract is discharged, cancelled or expires.

Transfer of cash flows only

When the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has not retained control of the financial asset, the Group derecognises it and recognises separately as assets or liabilities

any rights and obligations created or retained in the transfer.

Retaining substantially all the risks and rewards of ownership of a divested financial asset

If the Group has retained substantially all the risks and rewards of ownership of a divested financial asset, it continues to recognise the financial asset in its entirety in addition to recognising the consideration received as a secured borrowing.

Retaining control of a financial asset

If the Group has retained control of a financial asset, it continues to recognise it on the balance sheet to the extent of its continuing involvement in that asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the divested asset, it recognises the part it has retained in the asset and an associated liability for the amounts it is required to pay.

Full derecognition

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 and accumulated in equity.

Partial derecognition

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, 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.

Factoring liabilities

Certain subsidiaries of Econocom group use factoring to diversify financing sources of working capital requirements and reduce credit risk. Factoring with contractual

subrogation involves the transfer of ownership of trade receivables and all associated rights to the factor. This means transfer of the right to receive cash flows.

As required under IFRS 9 "Financial instruments: Recognition and Measurement", these receivables are derecognised when substantially all the risks and rewards of ownership are transferred to the factor. Where this is not the case they are maintained in the balance sheet after the transfer and a financial liability is recorded as an offsetting entry for the cash received.

Reverse factoring

Reverse factoring is a transaction for the sale of trade receivables to a factor, organised by the debtor company of the receivables. Reverse factoring agreements involve three parties who sign two contracts: a contract for the assignment of receivables between the supplier and the factor and an agreement between the factor and the customer who undertakes to pay the invoices assigned by the supplier to the factor.

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 classified as trade payables.

In light of these provisions of the standard and the characteristics of the contracts, the Group analyses and makes a judgment on the accounting process for reverse factoring transactions.

21.2. Information on the transfer of assets – Assets not derecognised in full

Assignment of trade receivables

For the purpose of optimising its cash management for its Services and Products & Solutions businesses, the Group assigns a portion of its trade receivables throughout the year to factoring companies.

At 31 December 2021, the Company had an amount of €237.7 million with factoring companies, resulting in non-recourse financing of €202.5 million. The unfinanced amount of €22.4 million is recognised in non-current financial assets and other receivables, and corresponds to unassignable receivables (security guarantees).

<i>in € millions</i>	2021	2020
Receivables as signed to factoring companies:	237.7	275.3
<i>of which payables</i>	12.8	7.5
<i>of which non factored receivables</i>	22.4	45.5
Receivables sold without recourse*	202.5	222.3

* Receivables sold do not include the portion of receivables financed with recourse, classified in liabilities.

The overall factoring cost amounted to €2.9 million in 2021 compared with €2.8 million in 2020.

It should be noted that at the end of December 2021, Econocom used reverse factoring for an amount of €75.7 million (compared to €96.2 million at end-2020). Given that there is no legal novation of the debt and that the terms and conditions have not been substantially modified, this amount remains recognised in trade payables.

Refinancing with recourse

In certain very limited cases, Econocom group retains its exposure to the credit risk

on its factored receivables. In this case, the Group transfers title to the equipment under the lease to the refinancing institution for the duration of the lease, as collateral for the transaction.

However, the Group recognised a financial liability equal to the total amount factored with recourse and recorded a gross asset (representing its “continuing involvement” as defined by IFRS 9) in trade receivables for an amount of €64.0 million at 31 December 2021 (€76.2 million at 31 December 2020).

21.3. Information on transfers of assets associated with refinancing – Derecognised assets

21.3.1. NATURE OF CONTINUING INVOLVEMENT

Residual financial value

Outstanding amounts under the Group's lease agreements with customers are refinanced on a non-recourse basis except in very rare cases.

The Group's active risk management policy is aimed at limiting both credit risk and any other continuing involvement. Accordingly, the Group derecognises outstanding amounts under leases refinanced on a non-recourse basis.

However, the Group frequently sells, and commits to repurchase, the leased equipment at the same time as the outstandings under leases. These purchase obligations are classified within "Gross commitments on residual financial assets" and recognised in balance sheet liabilities.

Other continuing involvement

The main legal forms of refinancing contracts for lease outstandings are described below:

- outstandings assigned in full: Econocom considers that it has no other involvement within the meaning of IFRS 7;
- outstandings assigned as sales of receivables: Econocom has continuing involvement since it retains a portion of the risk associated with the contractual relationship and ownership of the assets;
- outstandings assigned under finance leases: Econocom has continuing involvement since it retains a portion of the risk associated with the contractual relationship.

Risk from continuing involvement depends above all on Econocom's relationship with

its customers, and as such is considered, managed and, where appropriate, covered by provisions as an operational risk and not a financial risk.

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 2021 for an amount of €24 million. Econocom Digital Finance Limited is financed through two contracts equivalent to disposals without recourse of the finance lease receivables it holds. In this respect, €55.6 million were deconsolidated at 31 December 2021 (compared with €45.9 million at 31 December 2020).

21.3.2. RECOGNITION IN INCOME STATEMENT

For Econocom group, the cost of transferring outstandings is an operating expense included in the economic analysis of each transaction, and is included in profit (loss) from current operating activities accordingly. In contrast, costs relating to the factoring of trade receivables and costs relating to unwinding the discount on the residual interest in leased assets and to gross commitments on residual financial assets are considered as operating costs and are included in "Financial income – operating activities".

21.3.3. BREAKDOWN OF TRANSFERS FOR THE YEAR

Refinancing is part of the operating sales cycle and its seasonal nature is thus linked to that of its business and not to the presentation of the balance sheet.

A significant part of this business takes place in December, which is traditionally an important month for companies where ICT investments and digital investments more generally are concerned.

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 managing Directors and the members of the Executive Committee.

The compensation conditions for the Chairman, the Vice-Chairman and the persons delegated to day-to-day management are set by the Board of

Directors following a recommendation of the Compensation and Appointments Committee. The Board has given its Chairman a mandate to determine the compensation of the other senior managers of the Group upon the recommendations of the Appointments and Compensation Committee.

<i>in € millions</i>	2021	2020
Short-term benefits (including social costs)	(4.8)	(3.7)
Retirement benefits and other post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	(0.7)
Share-based payments	(2.8)	(0.8)
Directors' fees ⁽¹⁾	-	-
Total	(7.7)	(5.2)

⁽¹⁾ The table only shows compensation paid to key management personnel and excludes Directors' fees paid to non-executive Directors.

The table above shows the amounts expensed for the members of the Executive Committee and the managing Directors. This table does not show fees billed to Econocom group entities by management, which are disclosed in note 22.2 below.

The compensation policy for Directors and members of the Executive Committee is set out in further detail in the Board of Directors' Management Report in section 5.7.1.

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 managing Directors and the executive Directors, or with companies controlled by the Group or over which it exercises significant influence. These transactions exclude the components of compensation presented above.

Transactions between related parties are carried out on an arm's length basis.

<i>in € millions</i>	Income		Expenses		Receivables		Payables	
	2021	2020	2021	2020	2021	2020	2021	2020
Econocom International BV (EIBV)	0.2	0.4	(1.4)	(2.0)	-	0.1	-	-
SCI Dion-Bouton	-	1.6	(2.8)	(2.1)	2.4	2.3	-	-
SCI JMB	-	-	(1.2)	(1.2)	0.5	0.3	0.3	-
SCI Maillot Pergolèse	-	-	(0.2)	(1.2)	-	0.1	-	-
APL	-	-	(0.8)	(0.1)	-	-	-	0.1
Orionisa consulting	-	-	(0.1)	(0.3)	-	-	-	-
Métis	-	-	(1.3)	(1.2)	-	-	0.8	0.7
Total	0.2	2.0	(7.7)	(8.1)	2.9	2.7	1.2	0.8

Relations with companies controlled by Jean-Louis Bouchard

SCI Dion-Bouton, of which Jean-Louis Bouchard is Managing Partner, owns the building in Puteaux. It received €2.8 million in rent in 2021 (€2.1 million in 2020). In addition, the Econocom group booked receivables of €2.4 million representing the deposits paid by Econocom France SAS to SCI Dion-Bouton.

Econocom International BV (EIBV) – of which Jean-Louis Bouchard is a Partner – is a non-listed company that directly holds 40.1% of the share capital of Econocom group SE at 31 December 2021. Econocom International BV billed fees of €1.4 million to Econocom group SE and its subsidiaries in 2021 for managing and coordinating the Group. These fees amounted to €2.0 million in 2020. It was also rebilled an amount of €0.2 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 2021 (€1.2 million in 2020). Econocom SAS has a receivable of €0.3 million in guarantees.

Transactions with SCI Maillot Pergolèse, which owns the premises in Clichy and Les Ulis, and of which Jean-Louis Bouchard is Partner and Robert Bouchard Manager, represent rental income and rental expenses during the first quarter of 2021 of €0.2 million. The Econocom Group no longer leases the Clichy premises since the first half of 2021.

Other relations with related parties

APL, of which Robert Bouchard is Manager, invoiced operational services in the amount of €0.8 million in 2021 (€0.1 million in 2020). In 2017, Econocom Group committed to invest €3 million in investment fund Educapital I FCPI, which is managed by a management company (Educapital SAS), of which Marie-Christine Levet, an independent Director on the Econocom Group Board of Directors, is chairwoman and shareholder. As of 31 December 2021, €2.4 million had already been contributed.

Métis, controlled by Philippe Gouillioud, provided services for an amount of €1.3 million.

23. Subsequent events

Strengthening governance

On 20 January 2022, Econocom announced the strengthening of its strengthening its governance with the following two appointments at the head of the Group:

- Laurent Roudil as CEO and proposed as Managing Director at the next General Meeting,

- Angel Benguigui as Deputy Chief Executive Officer.

This strengthening of our governance aims to support the Group's ambition to change scale and enter a new phase of growth.

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1. Share performance and shareholders

1.1. Econocom Group SE share performance

2019	Price (in €)			Price	Volume	Value of shares processed (in € thousands)
	Highest (in €)	Lowest (in €)	Last (in €)		Number (in €)	
January	3.23	2.79	3.09	3.03	6,359,334	19,300
February	3.72	2.98	3.55	3.40	8,183,178	27,805
March	3.80	3.36	3.55	3.59	6,010,681	21,567
April	4.01	3.45	3.62	3.68	3,878,115	14,262
May	3.62	2.94	3.11	3.14	3,863,691	12,116
June	3.40	2.93	3.07	3.11	2,996,948	9,331
July	3.24	2.88	3.01	3.05	3,320,357	10,120
August	3.24	2.68	2.71	2.87	2,878,893	8,258
September	2.95	2.28	2.30	2.55	3,728,108	9,490
October	2.48	2.00	2.34	2.32	6,831,355	15,821
November	2.62	2.30	2.35	2.43	3,205,255	7,782
December	2.44	2.22	2.43	2.28	2,375,624	5,427
Total 2019	4.01	2.00	2.43	3.01	53,631,539	161,281

2020	Price (in €)			Price	Volume	
	Highest (in €)	Lowest (in €)	Last (in €)		Number (in €)	Value of shares processed (in € thousands)
January	2.64	2.18	2.57	2.43	5,218,108	12,657
February	2.88	2.42	2.53	2.67	4,586,770	12,246
March	1.37	2.62	1.45	1.79	9,268,272	16,632
April	1.98	1.43	1.76	1.80	4,544,070	8,166
May	1.98	1.60	1.98	1.77	3,774,087	6,688
June	2.20	1.77	1.80	1.98	3,556,799	7,042
July	2.39	1.68	2.35	2.06	5,729,737	11,825
August	2.53	2.22	2.53	2.41	3,212,973	7,731
September	2.80	2.18	2.58	2.53	8,349,002	21,107
October	2.65	1.76	1.89	2.13	7,045,390	15,034
November	2.49	1.87	2.37	2.22	5,763,940	12,778
December	2.56	2.36	2.46	2.47	3,577,779	8,840
Total 2020	2.88	1.37	2.46	2.18	64,626,927	140,745

2021	Price (in €)			Price	Volume	
	Highest (in €)	Lowest (in €)	Last (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

1.2. Name, registered office and incorporation

Company name: Econocom Group SE

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

Legal form, incorporation, published documents

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

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

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

Term: indefinite.

Financial year: 1 January to 31 December.

1.3. Corporate purpose (article 3 of the Bylaws)

The Company’s purpose is, in all countries:

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

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

It may establish branch offices or subsidiaries in all countries.

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

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

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

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

1.4. Share capital

1.4.1. SHARE CAPITAL (ARTICLE 5 OF THE BYLAWS)

At 31 December 2021, the Company's share capital stood at €23,662,014.74 and was composed of 222,281,980 ordinary shares with no stated nominal value, held in registered, or dematerialised form. The capital is fully paid-up.

1.4.2. CHANGES IN SHARE CAPITAL BY THE GENERAL MEETING (ARTICLE 6 OF THE BYLAWS)

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

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

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

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

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

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

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

1.4.3. CHANGES IN SHARE CAPITAL

At 31 December 2021, the Econocom's share capital stood at €23,662,014.74 and was composed of 222,281,980 registered shares with no stated nominal value, held in registered, or dematerialised form. The capital is fully paid-up.

At 31 December 2021, authorised unissued capital (excluding issue premiums) stood at €23,512,749.67.

The changes in share capital over the last three financial years are described below.

No changes were made to the share capital in 2018.

The following changes to the share capital occurred in 2019:

- in connection with the exercise of subscription options by a beneficiary of the 2014 Stock Option Plan, on 21 June 2019 Econocom issued 240,000 new shares after which the share capital of Econocom Group stood at €23,512,749.67, represented by 245,380,430 shares.

The following changes to the share capital occurred in 2020:

The Extraordinary General Meeting of 19 May 2020 decided to cancel 24,500,000 treasury shares, with no change in the share capital of Econocom Group.

In addition, the same General Meeting introduced a double voting right for shareholders included in the registered list for more than two years.

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At 31 December 2020, the capital was made up of 220,880,430 shares and 280,656,613 voting rights.

The following changes to the share capital occurred in 2021:

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

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

- on 29 September 2021, 50,000 shares, bringing the share capital to €23,565,999.67 represented by 221,380,430 shares;
- on 29 October 2021, 110,000 shares, bringing the share capital to €23,577,714.67, represented by 221,490,430 shares;
- on 9 December 2021, 218,650 shares, bringing the share capital to €23,601,000.89 represented by 221,709,080 shares;
- on 17 December 2021, 572,900 shares, bringing the share capital to €23,662,014.74, represented by 222,281,980 shares.

Changes in the Company's share capital and number of shares since 1 January 2011 are summarised in the table below:

Transaction date	Type of issue	Change in the number of shares	Change in share capital (in €)	Issue premium (in €)	Total transaction (in €)	Number of shares	Share capital subscribed (in €)
1 Jan. 2011						26,172,897	17,076,677.70
14 Sept. 2012	Cancellation of treasury shares	(2,000,000)	-	-	-	24,172,897	17,076,677.70
14 Sept. 2012	Four-for-one share split	72,518,691	-	-	-	96,691,588	17,076,677.70
12 Sept. 2013	Capital increase as payment for an acquisition	9,527,460	1,682,642.38	50,734,212.37	52,416,854.75	106,219,048	18,759,320.08
18 Nov. 2013	Capital increase as payment for a takeover bid	6,313,158	1,114,965.29	36,763,982.71	37,878,948.00	112,532,206	19,874,285.37
31 Dec. 2013	Cancellation of treasury shares	(6,014,892)	-	-	-	106,517,314	19,874,285.37
24 Jan. 2014	Capital increase through convertible bonds (OCEANES)	20,000	3,732.00	101,268.00	105,000.00	106,537,314	19,878,017.37
25 Feb. 2014	Capital increase through convertible bonds (OCEANES)	266,028	49,640.82	1,347,006.18	1,396,647.00	106,803,342	19,927,658.19
26 March 2014	Capital increase through convertible bonds (OCEANES)	210,592	39,296.47	1,066,311.53	1,105,608.00	107,013,934	19,966,954.66

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 €)
28 May 2014	Capital increase through convertible bonds (OCEANES)	708,428	132,192.66	3,587,054.34	3,719,247.00	107,722,362	20,099,147.32
18 June 2014	Capital increase through convertible bonds (OCEANES)	7,850,228	1,464,852.54	39,748,844.46	41,213,697.00	115,572,590	21,563,999.86
29 Dec. 2014	Cancellation of treasury shares	(3,053,303)	-	-	-	112,519,287	21,563,999.86
17 Feb. 2017	Capital increase through convertible bonds (OCEANES)	400,000	76,640.00	4,299,240.00	4,375,880.00	112,919,287	21,640,639.86
3 March 2017	Capital increase through convertible bonds (OCEANES)	1,198,194	229,573.97	12,883,101.71	13,112,675.68	114,117,481	21,870,213.83
16 March 2017	Capital increase through convertible bonds (OCEANES)	800,000	153,280.00	8,603,440.00	8,756,720.00	114,917,481	22,023,493.83
21 March 2017	Capital increase through convertible bonds (OCEANES)	1,144,500	219,286.20	12,311,386.50	12,530,672.70	116,061,981	22,242,780.03
24 March 2017	Capital increase through convertible bonds (OCEANES)	657,418	125,961.29	7,072,897.29	7,198,858.58	116,719,399	22,368,741.32
31 March 2017	Capital increase through convertible bonds (OCEANES)	1,961,518	375,826.85	21,106,537.80	21,482,364.65	118,680,917	22,744,568.17
6 April 2017	Capital increase through convertible bonds (OCEANES)	3,889,298	189.50	41,855,117.90	42,600,307.40	122,570,215	23,489,757.66
2 June 2017	Two-for-one share split	122,570,215	-	-	-	245,140,430	23,489,757.66
21 June 2019	Capital increase by the exercise of subscription options	240,000	22,992	639,408	662,400	245,380,430	23,512,749.67
19 May 2020	Cancellation of treasury shares	(24,500,000)	-	-	-	220,880,430	23,512,749.67
13 August 2021	Capital increase by the exercise of subscription options	400,000	42,600	1,061,400	1,104,000	221,280,430	23,555,349.67

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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 Sept. 2021	Capital increase by the exercise of subscription options	50,000	5,325	132,675	138,000	221,330,430	23,560,674.67
29 Sept. 2021	Capital increase by the exercise of subscription options	50,000	5,325	132,675	138,000	221,380,430	23,565,999.67
29 Oct. 2021	Capital increase by the exercise of subscription options	110,000	11,715	291,885	303,600	221,490,430	23,577,714.67
9 Dec. 2021	Capital increase by the exercise of subscription options	218,650	23,286.22	580,187.78	603,474	221,709,080	23,601,000.89
17 Dec. 2021	Capital increase by the exercise of subscription options	572,900	61,013.85	1,520,190.15	1,581,204	222,281,980	23,662,014.74

On 19 May 2020, the Extraordinary General Meeting renewed the authorisation granted to the Board of Directors, for a five-year period as from the publication of the revised Bylaws, to increase the share capital in accordance with articles 7:198 and 7:199 of the Belgian Companies Code, on one or several occasions, under conditions it deems fit, in the maximum amount of €23,512,749.67.

At the end of this Extraordinary General Meeting, the Board of Directors was granted an authorisation to sell Company shares, in cases provided for by the Belgian Companies Code, including to one or more identified persons. If necessary, this authorisation may be extended to the disposal of treasury shares of the Company by its subsidiaries.

On 30 November 2021, the Extraordinary General Meeting amended Article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the

Belgian Companies Code. This ceiling was set on 19 May 2020 by the Extraordinary General Meeting, thereby authorising the Board of Directors to buy back treasury shares for a five-year period.

On 30 November 2021, pursuant to this amendment, the Extraordinary General Meeting authorised the Board of Directors, for a five-year period, to acquire a maximum of 88,000,000 treasury shares of the Company.

The minimum purchase price was set at €1 per share and the maximum price at €10 per share. In addition, the Board of Directors was authorised to pledge treasury shares of the Company, in accordance with article 7:226 of the Belgian Companies Code. This authorisation is also valid for a five-year period.

At 31 December 2021, Econocom Group held 19,438,183 treasury shares representing 8.74% of the total number of shares outstanding.

1.5. Rights attached to shares

1.5.1. PARTICIPATION IN GENERAL MEETINGS AND VOTING RIGHTS

1.5.1.1. Participation in General Meetings

1.5.1.1.1. Right to participate in General Meetings

All shareholders are entitled to attend Econocom Group's General Meetings, regardless of the number of shares they hold, provided that they meet the admission requirements set out in the "General Meetings" section of this chapter.

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

1.5.1.1.2. Right to call General Meetings

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

1.5.1.1.3. Right to add matters to the agenda and to table draft resolutions

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

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

Shareholders wishing to exercise this right must:

- (i) prove that they actually hold at least 3% of the Econocom Group's share capital on the date of filing of their request; and
- (ii) ensure that their shares representing at least 3% of the share capital are duly registered at the record date.

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

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

Econocom will confirm receipt of any requests within 48 hours, and will publish a revised agenda no later than 15 days before the General Meeting. Proxy forms and postal voting forms are also published on the Company's website (<https://econocom.com>). However, all proxies and postal voting forms previously submitted to Econocom remain valid for the agenda items they cover. The proxy holder may deviate from the voting instructions given by the shareholder for items on the agenda for which alternative resolution proposals have been made if the execution of these instructions is liable to compromise the interests of the shareholder he/she represents. The proxy holder must in any event inform the shareholder of any

such votes. The proxy must also indicate whether the proxy holder is entitled to vote on new items added to the agenda by shareholders or whether he/she should abstain.

1.5.1.1.4. Right to ask questions

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

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

1.5.1.1.5. Other rights to information

All Econocom Group shareholders have rights to information.

Most rights to information concern General Meetings. They include, among other things, the right to consult or to obtain a copy at no cost of:

- (i) the text of the meeting notices and, if available, of the amended agenda;
- (ii) the total number of shares and voting rights;
- (iii) the documents to be presented to the General Meeting (annual financial statements, reports and other documents described in article 7:148 of the Belgian Companies Code);
- (iv) for every subject to addressed on the agenda, any decision proposed or, when the subject does not require the adoption of a decision, a comment by the Board of Directors;
- (v) if available, any proposed decision introduced by shareholders, as soon as possible after receipt by the Company; and
- (vi) proxy forms and forms for voting by mail. These documents/items may be consulted on Econocom's website (<https://econocom.com>) and during normal office hours on working days at Econocom Group's registered office located at Place du Champ de Mars 5, 1050 Brussels, from the date of publication of the Notice of Meeting. Holders of registered shares will receive a copy of these documents together with the Notice of Meeting.

1.5.1.2. Right to vote at General Meetings

1.5.1.2.1. Principle

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

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

- approving the annual statutory financial statements (no such approval is required for the consolidated financial statements prepared in accordance with IFRS);
- appointing and removing Directors and the Statutory Auditor;
- granting discharge to the Directors and Statutory Auditor;
- setting the amount of compensation for the Directors and Statutory Auditor for the performance of their duties;
- distributing profits;
- filing claims against Directors;
- authorising certain actions by the Board of Directors;
- approving the compensation report;
- authorising the acquisition of treasury shares;
- taking decisions that involve the liquidation, merger or certain types of restructuring of the Company; and
- approving any amendments to the Bylaws.

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

1.5.1.2.2. Quorum and voting requirements

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

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

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

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

1.5.1.2.3. Proxy voting

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

The Board of Directors may decide on the form of proxy. Proxies must reach the Company no later than the sixth day preceding the date of the Meeting. All proxy voting forms that reach the Company before the revised agenda is

published, pursuant to article 7:130 of the Belgian Companies Code, remain valid for the agenda items covered.

1.5.1.2.4. Distance voting

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

1.5.2. DISTRIBUTION OF PROFITS

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

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

Acting on a recommendation of the Board of Directors, every year the General Meeting independently determines how the residual profit balance will be used and allocated by simple majority vote of members present, within the limits set by articles 7:212 and 7:214 of the Belgian Companies Code. No profits are distributed when, at the end of the last reporting period, net assets as shown in the annual financial statements total less than paid-up capital or would total less than paid-up capital if profits were distributed or if net

assets exceed called-up capital plus any reserves not available for distribution pursuant to the law or to the Company's Bylaws.

In accordance with the Belgian Companies Code, the Board of Directors may distribute an interim dividend deducted from profit for the year. The Board sets the amount of any such interim dividend and the dividend payment date.

1.5.3. LIQUIDATION

In the event that Econocom is dissolved for any reason and at any time, the liquidation process will be managed by one or more liquidators appointed by the General Meeting, or, if no such liquidators are appointed, by the Board of Directors in office at that time, acting as a Liquidation Committee.

For this purpose they will have the broadest powers conferred by articles 2:87 *et seq.* of the Belgian Companies Code. The General Meeting determines the fees payable to the liquidators. The liquidators can only assume their duties after their appointment by the General Meeting has been approved by the Commercial Court pursuant to articles 2:83 *et seq.* of the Belgian Companies Code.

Once all liabilities, expenses and liquidation fees have been settled, the net assets will be used first to refund the outstanding paid-up share capital in cash or in securities.

If the shares are not all paid up in equal proportions, before making any allocations, the liquidators ensure that all shares are on a wholly equal footing, either by additional calls for funds charged against shares not fully paid up or by prior cash reimbursements for shares paid up in excess of the requisite amount.

The remaining balance is allocated equally among all shares.

1.5.4. PRE-EMPTIVE SUBSCRIPTION RIGHTS IN THE EVENT OF A CAPITAL INCREASE

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

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

1.5.5. CHANGES IN RIGHTS ATTACHED TO SHARES

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

1.6. General Meetings

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. From now on, the Ordinary General Meeting shall meet every year on the fourth Monday of March at 11:00 am, or on the first business day following this date if Monday is a holiday.

At Ordinary General Meetings, the Board of Directors submits to shareholders the annual statutory financial statements prepared in accordance with applicable accounting standards, the annual consolidated financial statements prepared in accordance with IFRS, and the reports of the Board of Directors and Statutory Auditor on the statutory and consolidated financial statements. The Meeting decides whether to approve the statutory financial statements, the appropriation of income, the discharge of Directors and the Statutory Auditor and, where applicable, the appointment, removal or re-election of the Statutory Auditor and/or certain Directors.

Extraordinary General Meetings and Special General Meetings

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

Content of General Meeting convening notices

General Meeting notices must contain at least the following information:

- the date, time and place of the General Meeting;
- the agenda, indicating the items to be discussed as well as resolution proposals;
- a clear and accurate description of the formalities to be completed by shareholders in order to attend the General Meeting and exercise their voting rights, including the deadline by which shareholders should indicate their intention to attend the Meeting:

- ▶ the right of shareholders to add items to the agenda, file resolution proposals, and ask questions, as well as the period in which these rights may be exercised and the email address to which shareholders should send their requests. Where applicable, the Notice of Meeting also indicates the deadline for publishing the revised agenda. The Notice may contain only the details of these periods and the email address to be used, provided that more detailed information on shareholder rights is posted on the Company's website,
 - ▶ the procedure to follow in order to vote by proxy, and in particular the proxy voting form, the conditions in which the Company will accept notifications of the appointment of proxies sent by electronic means, along with the timeframe within which the proxy voting rights may be exercised,
 - ▶ where appropriate, the procedure and timeframe set by or pursuant to the Bylaws allowing shareholders to participate in the General Meeting remotely and opt for distance voting prior to the Meeting (articles 28 and 34 of the Bylaws);
 - the record date, along with a statement indicating that only people who are shareholders at that date are entitled to attend and vote at the General Meeting;
 - the address where shareholders can obtain, for example, the full text of the documents and resolution proposals described, along with the procedure to follow in order to obtain such documents;
 - the exact website address on which the information mentioned below will be available.
- ### **Availability of documents on Econocom's website**
- As from the date of publication of the General Meeting convening notice and up to the date of the General Meeting, the following information is posted for shareholders on the Company's website (<https://econocom.com>):
- the Notice of Meeting, along with the revised agenda reflecting items subsequently added thereto and the related resolution proposals where applicable, and/or the resolution proposals formulated within the timeframe given;
 - 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 (<https://econocom.com>) for five years as from the date of the General Meeting to which they relate.

Formalities and notice periods

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

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

Holders of registered shares as mentioned in the Belgian Companies Code, along with Company Directors and the Statutory Auditor must be notified of the General Meetings 30 days before they are due to take place. This notification is sent by ordinary letter unless the recipients have individually and expressly agreed in writing

to receive notification by another means, although no proof of compliance with this formality is required. Notices of Meetings are also available on Econocom's website (<https://econocom.com>).

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

Formalities to be completed in order to attend General Meetings

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

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

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

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

1.7.1. GENERAL INFORMATION

Laws relating to takeover and squeeze-out bids and their implementing orders, as well as the Belgian Companies Code and other applicable laws, contain various provisions (such as the requirement to disclose major shareholdings – see section 8 of this chapter – and competition provisions) that may be applicable to the Company, and which place certain restrictions on hostile takeover bids or other changes of control. These provisions could discourage potential takeover bids that other shareholders may consider to be in their interests and/or prevent shareholders from selling their shares at a premium.

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

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

Pursuant to a decision of Econocom's Extraordinary General Meeting of 19 May 2020, the Board of Directors was granted authorisation to increase the share capital, on one or more occasions, under conditions it deems fit, by an amount of up to €23,512,749.67. At 31 December 2021, authorised unissued capital (excluding issue premiums) stood at €23,512,749.67.

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

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

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

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

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

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

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

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

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

This authorisation was given to the Board of Directors by the Extraordinary General Meeting of 30 November 2021 to acquire a maximum of 88,000,000 treasury shares of the Company at a minimum price of €1 and a maximum unit price of €10 per share. This authorisation was granted for a period of five years as from the publication of the decision of the Extraordinary General Meeting of 30 November 2020 in the appendix to the Belgian Official Gazette (*Moniteur belge*).

The authorisation of the General Meeting is not required in the event the purchase of treasury shares or non-equity shares is necessary to avoid the Company experiencing serious or immediate damage. In such event, the Board of Directors is authorised to purchase, in accordance with the legal provisions in force, the Company's shares through acquisition or exchange. This authorisation granted by the Extraordinary General Meeting of 19 May 2020 for a period of three years as from the publication of the decision of said Meeting in the appendix to the Belgian Official Gazette (*Moniteur belge*).

On 30 November 2021, the Extraordinary General Meeting also authorised the Board of Directors to pledge treasury shares of the Company, in accordance with article 7:226 of the Belgian Companies Code. This authorisation is granted for a period of five years as from the date on which the decision of the General Meeting is published.

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

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

1.8 Notifications of major shareholdings

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about

issuers whose securities are admitted to trading on a regulated market, amending Directive 2001/34/EC, was transposed into Belgian law by the Act of 2 May 2007 on the publication of major shareholdings in issuers whose shares are admitted to trading on a regulated market ("Transparency Act") and by the Royal Decree of 14 February 2008 on the publication of major shareholdings ("Royal Decree on Transparency"). This legislation came into force on 1 September 2008.

Pursuant to these provisions, any natural or legal person who acquires, directly or indirectly, securities carrying voting rights of the Company must notify it and the FSMA (Belgian Financial Services and Markets Authority) of the number and percentage of voting rights held subsequent to this acquisition when the voting rights attached to securities carrying voting rights reach a proportion of 5% or more of total existing voting rights. Shareholders must also notify the Company in the event that they directly or indirectly acquire securities carrying voting rights when, as a result of their acquisition, the number of voting rights reaches or exceeds 10%, 15%, 20%, and every five-percentage point threshold thereafter, of total existing voting rights. Notification is also required in the event that shareholders directly or indirectly sell securities carrying voting rights when, as a result of this sale, the voting rights fall below one of the thresholds stated above.

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

1. the acquisition or sale of securities carrying voting rights, regardless of how

the securities were acquired or sold, for example, by means of a purchase, sale, exchange, contribution, merger, spin-off or succession;

2. unintentionally crossing the specified thresholds (due to an event altering the allocation of voting rights); or

3. the conclusion, modification or termination of an agreement to act in concert.

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

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

The Company is also required to publish the total amount of share capital, the total number of securities carrying voting rights and the total number of voting rights, as well as a breakdown by class (where appropriate) of the number of securities carrying voting rights and the total number of voting rights, at the end of each calendar month during which changes occurred in these amounts. Where appropriate, the Company is also required to publish the total number of bonds convertible into securities carrying voting rights and rights to subscribe for securities not yet issued carrying voting rights, the total number of voting rights that would result from exercising these conversion or subscription rights, and the total number of shares with no voting rights.

1.9. Econocom's largest shareholder

Econocom International BV (represented by Jean-Louis Bouchard) Chairman of Econocom Group, remains Econocom's

largest shareholder, with approximately 40.1% of the share capital at 31 December 2021.

08

statutory auditor's report on the consolidated financial statements

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Independent auditor's report to the general meeting of Econocom Group SE for the year ended 31 December 2021

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 2021, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the Shareholders' Meeting of 18 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the Workers' Council. Our mandate expires at the Shareholders' Meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We have performed the audit of the Consolidated Financial Statements of the Group for the first time during this year.

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 2021, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the disclosures, which show a consolidated balance sheet total of €2,338.7 million and of which the consolidated income statement, attributable to owners of the parent, shows a profit for the year of €65.5 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 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The Consolidated Financial Statements of the Group for the year ended 31 December 2020 were audited by another statutory auditor who issued an unqualified audit opinion on these Consolidated Financial Statements in his report dated 26 March 2021.

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 €494.9 million as at 31 December 2021. 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 21% of total assets as at 31 December 2021 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 COVID-19 impact.
- 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 €170.7 million as at 31 December 2021, of which €42.7 million is classified in current assets and €128.0 million is classified in non-current assets. Overall, the residual interests as at 31 December 2021 amount to 3.1% 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:

- 1. Business model;
- 2. Group overview;
- 4. Risk factors;
- 7. Shareholders;
- 9. Chairman's statement;
- 11. Key consolidated figures;

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations is included in a separate report to the Board of Directors' report under section "3. Corporate social responsibility" of the annual report. The Company has prepared this non-financial information based on the principles of the United Nations Global Compact. The report of non-financial information contains the information required by virtue of article 3:32, §2 of the Companies' and Associations' Code, and agrees with the Consolidated Financial Statements for the same year. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the principles of the United Nations Global Compact.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the Consolidated Financial Statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the Consolidated Financial Statements in the form of an electronic file in ESEF format in the official French language as well as the free translation into English (hereinafter "the digital consolidated financial statements") included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) in the official French language as well as the free translation into English.

08 statutory auditor's report on the consolidated financial statements

independent auditor's report to the general meeting of econocom group se for the year ended 31 december 2021

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (<https://www.fsma.be/en/data-portal>) in the official French language of Econocom Group SE per 31 December 2021 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation, and we conclude that the format of the free translation of the digital consolidated financial statements included in annual report in English corresponds to the digital consolidated financial statements included in the annual financial report in the official French language.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 24 February 2022

EY Réviseurs d'Entreprises SRL

Statutory auditor

Represented by



Romuald Bilem*

Partner

* Acting on behalf of a BV/SRL

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chairman's statement

Chairman's statement

We hereby declare that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2021, 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 2022

On behalf of the Board of Directors



Jean-Louis Bouchard

Chairman of the Board

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condensed parent company financial statements*

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ECONOCOM GROUP SE PARENT STATUTORY FINANCIAL STATEMENTS

In accordance with article 3:17 of the Belgian Companies Code, Econocom Group SE hereby states that the following financial statements are an abridged version of the full annual financial statements that can be obtained from the Company and which will be filed with the Banque Nationale de Belgique.

* The parent company financial statements are prepared in accordance with Belgian GAAP.

1. Parent company balance sheet

Asset

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Start-up costs	327	805
Non-current assets	897,190	1,041,600
Intangible assets	-	-
Property, plant and equipment	1	1
Plant and equipment, fixtures and fittings	1	1
Non-current financial assets	897,189	1,041,599
Related parties	884,009	1,025,998
<i>Equity interests</i>	<i>884,009</i>	<i>831,198</i>
<i>Receivables</i>	-	<i>194,800</i>
Entities with which there are capital links	324	485
<i>Equity interests</i>	<i>324</i>	<i>485</i>
Receivables		
Other non-current financial assets	12,856	15,116
<i>Shares</i>	<i>10,238</i>	<i>11,408</i>
<i>Receivables and cash guarantees</i>	<i>2,618</i>	<i>3,708</i>
Current assets	68,624	32,058
Non-current receivables	-	-
Trade receivables		
Other receivables		
Inventories and work-in-progress	-	-
Current receivables	15,004	7,007
Trade receivables	13,871	4,854
Other receivables	1,133	2,153
Cash investments	53,013	22,966
Treasury shares	53,013	22,966
Other investments		
Cash and cash equivalents	451	1,853
Accrual accounts	56	232
Total assets	966,041	1,074,463

Liabilities

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Equity	535,196	276,923
Share capital	23,662	23,513
Paid-in capital	23,662	23,513
Uncalled capital		
Issue premiums	171,921	194,708
Revaluation gain	2,520	2,520
Reserves	57,865	25,735
Statutory reserve	2,366	2,351
Unavailable reserves	53,013	22,966
<i>For treasury shares</i>	<i>53,013</i>	<i>22,966</i>
<i>Available reserves</i>	<i>2,486</i>	<i>418</i>
Retained earnings (+)/(-)	432	17,137
Profit (loss) for the year	278,796	13,310
Provisions and deferred taxes	10,726	5,501
Provisions for contingencies and losses	10,726	5,501
<i>Other contingencies and losses</i>	<i>10,726</i>	<i>5,501</i>
Deferred taxes		
Payables	420,119	792,039
Non-current liabilities	194,874	250,388
Financial liabilities	194,874	250,388
<i>Unsubordinated bonds</i>	<i>194,874</i>	<i>250,388</i>
Trade payables		
Prepayments received on orders		
Other non-current liabilities		
Current liabilities	225,245	541,651
Current portion of non-current liabilities	57,325	139,034
Financial liabilities	21,500	119,000
<i>Bank loans and borrowings</i>	<i>21,500</i>	<i>119,000</i>
Trade payables	7,492	5,439
<i>Trade payables</i>	<i>7,492</i>	<i>5,439</i>
Accrued taxes and personnel costs	611	1,023
<i>Income tax</i>	<i>239</i>	<i>411</i>
<i>Compensation including social costs</i>	<i>372</i>	<i>611</i>
Other non-current liabilities	138,317	277,155
Accrual accounts		
Total equity and liabilities	966,041	1,074,463

2. Non-consolidated income statement

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Sales and services	18,109	17,990
Revenue	14,854	15,869
Changes in inventories of finished goods and work in progress: increase (decrease) (+)/(-)		
In-house production of non-current assets		
Other operating income	3,255	2,121
Non-recurring operating income	-	-
Cost of sales and services	18,678	27,610
Materials and goods for resale		
Services and miscellaneous goods	17,361	18,573
Personnel costs (including social costs) and pensions (+)/(-)	1,307	1,393
Amortisation/depreciation and impairment of start-up costs, property, plant and equipment, and intangible assets	1	4
Additions to (reversals of) impairment of inventories, work-in-progress and trade receivables (+)/(-)	-	-
Additions to (reversals of) provisions for contingencies and losses (+)/(-)	(3,517)	2,484
Other operating expenses	445	27
Capitalised restructuring costs (-)		
Non-recurring operating expenses	3,082	5,129
Operating profit (loss) (+)/(-)	(569)	(9,620)
Financial income	317,662	49,042
Recurring financial income	194,458	35,649
Income from non-current financial assets	190,764	30,848
<i>Income from current assets</i>	219	103
<i>Net finance income</i>	3,475	4,698
<i>Non-recurring financial income</i>	123,204	13,393
Financial expenses	38,770	25,765
Recurring financial expenses	13,964	13,576
<i>Cost of debt</i>	13,791	13,094
<i>Additions to (reversals of) impairment of current assets other than inventories, work-in-progress and trade receivables (+)/(-)</i>	-	-
<i>Other financial expenses</i>	173	482
Non-recurring financial expenses	24,806	12,189

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Profit for the year before tax (+)/(-)	278,323	13,657
Withdrawal from deferred taxes		
Transfer to deferred taxes		
Income tax (+)/(-)	(473)	347
Income tax	3	347
Tax adjustments and reversals of tax-related provisions	(476)	-
Profit (loss) for the year (+)/(-)	278,796	13,310
Deductions from tax-free reserves		
Transfers to tax-free reserves		
Profit for the year available for distribution (+)/(-)	278,796	13,310

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Profit available for distribution (+)/(-)	309,244	81,716
Profit for the year available for distribution (+)/(-)	278,796	13,310
Retained earnings (+)/(-)	30,448	68,406
Deductions from equity	-	-
from equity and issue premiums		
from reserves	-	-
Appropriations to equity	30,016	51,268
to equity and issue premiums		
to the statutory reserve	15	-
to other reserves	30,001	51,268
Appropriation to retained earnings (+)/(-)	279,228	30,448
Share of associates in losses		
Profit available for distribution		
Dividends		
Directors or Managers		
Employees		
Other beneficiaries		

3. Non-consolidated statement of cash flows

<i>in € thousands</i>	31 Dec. 2021	31 Dec. 2020
Net profit (loss)	278,796	13,310
Depreciation of non-current assets and issue costs	479	548
Impairment	2,937	8,084
Impact of changes in provisions for other contingencies and losses	(4,612)	3,579
Gains/losses on disposal of non-current financial assets	(99,479)	(10,589)
Dividends received from equity interests	(186,022)	(25,000)
Interest and impact of bond buybacks	7,921	9,921
Cash flow from operating activities (a)	18	(147)
Change in trade receivables	821	1,694
Change in trade payables	2,051	2,550
Other changes in working capital requirement	705	(10,185)
Change in working capital requirement (b)	3,578	(5,940)
Income tax expense (c)	-	-
Net cash from (used in) operating activities (a + b + c)	3,596	(6,087)
Acquisition of property, plant and equipment and intangible assets for internal use	(2)	-
Disposal of property, plant and equipment and intangible assets for internal use	-	-
Acquisition of equity interests	(13,629)	(84,292)
Disposal of equity interests	75,874	15,819
Acquisition of non-current financial receivables	(837)	(751)
Disposals of non-current financial receivables	4,376	-
Repayment of non-current financial receivables	558	472
Dividends received from equity interests	167,872	25,000
Net cash from (used in) investing activities (d)	234,213	(43,752)
Euro Private Placement – interest	(1,556)	(2,632)
Euro Private Placement – repayment	-	(45,500)
Schuldschein – coupons	(2,205)	(2,797)
Schuldschein – refund	(137,000)	-
OCEANE – buyback	(3,451)	(10,616)
OCEANE – coupons	(931)	(1,000)
Commercial paper	(97,500)	(159,500)
Change in current accounts	(139,072)	269,662
Change in long-term loans	192,990	55,611
Acquisition of treasury shares	(30,738)	(25,675)
Disposal of treasury shares	691	123
Capital increases	3,878	-
Dividends paid during the year/refund of additional paid-in capital	(24,318)	(25,688)
Net cash from (used in) financing activities (e)	(239,212)	51,257
Change in cash and cash equivalents (a + b + c + d + e)	(1,402)	1,418

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key consolidated figures

11 key consolidated figures

historical consolidated key figures

Historical consolidated key figures

	2014 Restated	2015	2016 Adjusted Reported in 2017 AR****	2018	2019	2020	2021
Number of shares (at 31 December)							
Ordinary	225,038,574	225,038,574	225,038,574	245,140,430	245,380,430	220,880,430	222,281,980
Total	225,038,574	225,038,574	225,038,574	245,140,430	245,380,430	220,880,430	222,281,980
Free float	57.67%	53.82%	54.20%	57.86%	57.90%	53.6%	43.11%
Average number of shares outstanding	219,876,782	217,017,790	215,443,595	232,763,830	227,816,144	216,865,774	190,767,600
Per share data (in €)							
Net dividend (on ordinary shares)*	0.08	0.09	0.1	0.12	0.12	0.12	0.12
Gross dividend (on ordinary shares)*	0.08	0.09	0.1	0.12	0.12	0.12	0.12
Profit (loss) from current operating activities**	0.42	0.53	0.63	0.46	0.55	0.56	0.70
Pay-out ⁽¹⁾	0.26	0.17	0.67	0.71	0.61	0.55	0.35
Profit (loss) from operating activities**	0.31	0.50	0.57	0.37	0.44	0.39	0.62
Profit (loss) before tax**	0.26	0.42	0.32	0.31	0.35	0.31	0.57
Profit (loss) (attributable to owners of the parent)**	0.14	0.27	0.15	0.17	0.20	0.22	0.34
Cash flow from operating activities**	0.39	0.46	0.56	0.45	0.61	0.46	0.70
Equity attributable to owners of the parent***	1.16	1.02	0.89	2.0	1.97	2.14	2.00
Price/earnings ratio ⁽²⁾	23	16	45	17	12	11	11
Price/cash flow from operating activities ratio ⁽³⁾	8	9	12	6	4	5	5
Net return ⁽⁴⁾	2.29%	2.05%	1.43%	4.1%	4.9%	4.9%	3.3%
Gross return ⁽⁴⁾	2.29%	2.05%	1.43%	4.1%	4.9%	4.9%	3.3%

	2014 Restated	2015	2016 Adjusted Reported in 2017 AR****	2018	2019	2020	2021
Per share data (in €)							
Medium	3.55	3.85	5.69	3.70	3.01	2.18	3.23
At 31 December	3.28	4.275	6.97	2.91	2.43	2.48	3.65
High	4.58	4.49	7.17	7.3	4.01	2.88	3.94
Low	2.42	3.01	3.69	2.28	2.00	1.37	2.37
Annual return at 31 December ⁽⁵⁾	(19%)	33%	65%	(49%)	(12.3%)	6.0%	36%
Annual volume (in units)	58,190,840	49,761,106	54,198,704	213,263,403	53,631,539	64,626,927	48,438,497
Average daily trading volume	228,200	194,380	210,888	836,327	210,320	254,437	188,477
Annual volume (in value) (in € millions)	201	383	308	789	161	141	157
Market capitalisation (31 Dec.) (in € millions) ⁽⁶⁾	738	962	1 569	713	597	547	810
Listing market ⁽⁷⁾	TC	TC	TC	TC	TC	TC	TC
Salaried employees	8,587	9,134	10,008	10,813	10,323	9,240	8,197

* Refund of issue premiums.

** Expressed as a ratio of the average number of shares outstanding.

*** Expressed as a ratio of total shares.

**** In the 2017 table, the number of shares is shown after the share split approved by the Extraordinary General Meeting of 16 May 2017.

(1) Pay-out rate = gross dividend/profit for the year attributable to owners of the parent before amortisation or reduction of goodwill.

(2) Share price at 31 December/profit for the year.

(3) Share price at 31 December/cash flows from operating activities before cost of net debt and income tax.

(4) Net (gross) yield/share price at 31 December.

(5) Annual return = (change in share price at 31 December relative to 31 December of the previous year plus net dividend)/share price at 31 December of the previous year.

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

(7) Listing market = Brussels from 9 June 1988. The share has been listed on the *Marché à terme continu* (TC) since 16 March 2000.

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