CONSOLIDATED INCOME **STATEMENT**

Fiscal year ended December 31st, 2022

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CONSOLIDATED INCOME STATEMENT

(In k€)

		12/31/2022	12/31/2021
Revenue	*Note 7*	**188 281**	**165 523**
Purchases consumed		-59 634	-53 875
External expenses		-20 524	-18 914
Personnel expenses	*Note 8*	-53 829	-56 071
Taxes		-1 282	-457
Net Depreciation Expense & Provisions		-21 463	-21 176
Other Operating Income & Expenses	*Note 9*	-2 247	-618
Current Operating Income		**29 303**	**14 412**
Other Operaing Income & Expenses	*Note 10*	-	-65 116
Operating Income		**29 303**	**-50 705**
Cost of Financial Debt	*Note 11*	-9 885	-6 548
Financial Cost of User Fees	*Note 11*	-156	-156
Other Financial Income & Expenses	*Note 11*	-1 116	-4 705
Financial Income		-11 157	-11 408
Income Tax	*Note 12*	-2 495	-6 492
Share in Affiliate Companies	*Note 14*	235	145
Net Income of Continued Business Activity		15 886	-68 459
Net Income of Divested Business	*Note 15*		
Overall Consolidated Net Income		15 886	-68 459
Minority Interests		-183	2
Net Income – Group Share		15 703	-68 457
Net Income per Share (on average number) (in euros)	*Note 13*	2,063	-9.237
Diluted Earnings per share (euros)	*Note 13*	1.643	-9.237

GAINS & LOSSES RECOGNIZED DIRECTLY IN EQUITY

(In k€)

	12/31/2022	12/31/2021
Net income (Group Share)	15 703	-68 457
Minority Interests – Income	183	-2
Overall Consolidated Income	**15 886**	**-68 454**
Eléments non recyclables en résultat ultérieurement :	-	-
Plus-values de réévaluation sur les immobilisations corporelles		
Plus-values de réévaluation sur les immobilisations incorporelles		
Change in Actuarial Gains & Losses Related to Employee Benefits		
Later Income from Recyclable Items:	**125**	**70**
Exchange Rate Differential – Group	125	70
Changes in the Fair Value of Available for-sale Financial Assets		
Changes in the Fair Value of Derivative Financial Instruments in Future Cash Flows		
Tax on Items Taken Directly to Equity	-	-
Changes in Gains and Losses Recognized Directly in Equity	**125**	**70**
Total Income of Gains and Losses Recognized Directly in Equity	**16 011**	**-68 384**
Of which:		
Group share	**15 828**	**-68 382**
Minority shares	**184**	**-2**

CONSOLIDATED BALANCE SHEET

(In k€)

		12/31/2022	12/31/2021
Acquisition differential	*Note 16*	32 638	32 638
Intangible assets	*Note 17*	168 801	145 552
Usage rights	*Note 17*	10 277	10 016
Tangible assets	*Note 17*	2 880	2 379
Long-term investments	*Note 18*	2 622	2 568
Shares in associated companies	*Note 18*	620	634
Deferred tax – asset	*Note 12*	4 489	3 639
Non-current assets		**222 326**	**197 425**
Stocks and work in progress	*Note 19*	-	1
Trade receivables & related accounts	*Note 20*	51 654	46 673
Other current assets	*Note 20*	22 216	15 978
Cash and cash equivalents	*Note 21*	56 137	65 167
Current assets		**130 008**	**127 819**
Total assets		**352 334**	**325 244**

		12/31/2022	12/31/2021
Capital	*Note 22*	4 975	5 036
Premium on share capital		49 775	49 775
Reserves		30 057	100 307
Net Income (Group share)		15 703	-68 457
Self-assessment			-3 333
Equity (Group share)		**100 510**	**83 329**
Non controlling interests		**186**	**3**
Total equity		**100 696**	**83 331**
Deferred tax liabilities	*Note 12*		
Pension liabilities and similar obligations	*Note 23*	4 356	5 587
Noncurrent debt	*Note 24*	145 131	144 768
Noncurrent lease liabilities	*Note 24*	4 553	6 329
Non-current liabilities		**154 039**	**156 683**
Current provisions	*Note 23*	2 878	658
Current debt	*Note 24*	29 751	30 963
Current lease liabilities		6 061	3 916
Accounts payable	*Note 25*	26 907	25 509
Other current liabilities	*Note 25*	32 002	24 185
Current liabilities		**97 599**	**85 230**
Total liabilities		**352 334**	**325 244**

CONSOLIDATED CASH FLOW STATEMENT

(In k€)

		12/31/2022	12/31/2021
Total net income of consolidated entities		**15 886**	**-68 459**
Disallowance of shares from income of equity method investments	*Note 14*	-235	-145
Dividends received from equity method investments	*Note 14*	250	450
Net depreciation, amortization and provisions		21 994	85 450
Calculated income and expenses related to stock options and similar benefits		-	-44
Disallowance of losses/gains on asset disposals	*Note 10*	64	-524
Self-financing capacity after cost of debt		**37 959**	**16 728**
Cost of financial debt	*Note 11*	9 885	6 753
Tax expense of the period including deferred taxes	*Note 12*	2 495	6 492
Self-financing capacity after cost of debt and taxes		**50 339**	**29 973**
Change in Working Capital Requirement (WCR) related to business activity		**-4 427**	**10 135**
(provisions included)		**-4 427**	**10 135**
CASH FLOW FROM OPERATING ACTIVITIES (I)		45 912	40 108
Acquisitions of capital assets	*Note 17*	-37 488	-49 863
Disposal of assets		5	37
Curtailing of other financial assets		41	
Effects of changes of scope			
Net changes in short-term investments		-2 778	
Cash flow of disposal of noncurrent assets & discontinued operations			
NET CASH FLOW FROM INVESTMENTS (II)		-40 221	-49 826
Loans issued	*Note 24*	720	151 838
Repayment of loans	*Note 24*	-6 772	-104 724
Of which repayment of user fees (IFRS 16)	*Note 24*	-6 394	-8 940
Cost of debt	*Note 11*	-9 450	-6 753
Dividends received/paid by parent company			
Capital increase and capital reduction		-580	
Net disposal (acq.) of treasury shares		527	
Net variations in loans and bonds			
NET CASH FLOW FROM FINANCIAL OPERATIONS (III)		-15 554	40 361
Net changes in cash flow (IV)		**13**	**12**
IMPACT OF EXCHANGE RATE VARIATIONS (IV)		13	12
CASH FLOW VARIATIONS (I + II + III + IV)		-9 849	30 655
Cash flow: opening	*Note 21*	**37 791**	**-7 136**
Cash flow: closing	*Note 21*	**27 941**	**37 791**

Capitalized production for the year in the amount of €17 380k, deducted from personnel costs, is included in the €37.5m of acquisitions for the year.

	12/31/2022	12/31/2021
Stocks and work in progress	-	1
Clients and related acounts	51 654	46 673
Other current assets	22 216	15 978
Accounts payable & related accounts	26 907	25 509
Other current liabilities	32 002	24 185
Working Capital Requirement	**14 962**	**12 959**

HEADINGS (In K€)	Variation 2022 - 2021
Change in Working Capital Requirement (WCR) related to business activity (provisions included)	2 002
Other variations	2 425
Change in working capital in cash flow statement	**4 427**

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(In k€)

	Equity	Equity premium	Consolidated reserves of the group	Foreign exchange reserves of the group	Net income (Group share)	Self-assessment	Equity (Group share)	Minority Interests
Equity as of 12/31/2020	**5 036**	**49 775**	**92 695**	**-84**	**7 624**	**-3 333**	**151 713**	**5**
Allocation of income N-1			7 624		-7 624		-	
Payment of dividends N-1							-	
Var. in capital through capital subscriptions & cash output							-	
Fair value							-	
Income					-68 457		-68 457	-2
Other variations &							-	
Adjustments								
Reclassification				72			72	-
Exchange rate differential							-	
Interest rate differential							-	
Out of scope	**5 036**	**49 775**	**100 319**	**-13**	**-68 457**	**-3 333**	**83 328**	**3**
Equity as of 12/31/2021			-68 457		68 457		-	
Allocation of income N-1							-	
Var. in capital through capital subscriptions & cash outpu	-61		-519				-580	
OCI – PIDR			737				737	
Income					15 703		15 703	184
Other variations & Adjustments			-2 135			3 333	1 198	
Reclassification							-	
Exchange rate differential				125			125	-0
Interest rate differential							-	
Out of scope							-	
Equity as of 12/31/2022	**4 975**	**49 775**	**29 944**	**112**	**15 703**	**-**	**100 510**	**186**

APPENDED NOTES

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

General Statement — PRODWARE SA (« the Company ») is a limited company, under French law. The company's shares are listed on EURONEXT Growth NYSE Euronext stock market in PARIS. The consolidated financial statements as December 31st, 2022 reflect the accounting position of PRODWARE SA and its subsidiaries (hereinafter « the Group »), as well as the Group's interests in associated companies and joint ventures. They are presented in thousands of € or the nearest thousand.

The Board of Directors adopted and approved the consolidated financial statements on March 15, 2023 and authorized the publication of these consolidated financial statements as of December 31st, 2022. These accounts will not be final until approved by the Annual General Meeting of Shareholders

1 ACCOUNTING POLICIES

The consolidated accounts of PRODWARE SA and its subsidiaries (hereafter the "Group") that are published for the financial year 2022 are established according to the international accounting standards: International Financial Reporting Standards (hereafter "IFRS"), as adopted in the European Union. They include standards approved by the International Accounting Standards Board ("IASB"), i.e. IFRS, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC").

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

All the standards and interpretations applied by the PRODWARE SA group in the present statements are compatible with the European directives on the one hand and the standards and interpretations adopted by the European Union on the other hand

Unless otherwise indicated, these standards have been applied consistently to all years presented.

New standards and interpretations applicable as of January 1st, 2022:

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

Text	Heading	Effective Date - IASB	Effective Date - UE
Amendent to IFRS 16	› Proceeds from the sale of items manufactured in order to bring the asset to the location of use and rendering it operational as per intended by management, cannot be deducted from the asset. The proceeds from the sale of such items are recognized in the income statement.	01/01/2022	01/01/2022 (JOUE 06/21)
Amendement to IAS 37	› Clarification of costs to be considered when analyzing money-losing contracts	01/01/2022	01/01/2022 (JOUE 06/21)
Annual improvements to IFRS cycle 2018-2020	› IFRS 9: Clarification on costs to be included in the 10% test › IFRS 41: Fair evaluation of biological assets › IFRS 16: Deleting illustration example 13 from the standard	01/01/2022	01/01/2022 (JOUE 06/21)
Amendement to IFRS 3	› Update following the publication of the new Conceptual Framework	01/01/2022	01/01/2022 (JOUE 06/21)

The Group did not apply any of the above-mentioned new standards and interpretations ahead of time, their application not being mandatory as of January 1, 2022.

Standards and interpretations adopted by the IASB but not yet applicable as of December 31, 2022:
Le The Group is currently studying the potential impact of these new standards and interpretations on the financial statements

› New standards and interpretations applicable in 2022 though not yet adopted by the EU

Text	Heading	Effective Date - IASB	Effective Date - UE
Amendement to IAS 1	**Classifying debts as current and noncurrent**	01/01/2024	
Amendement to IAS 1	**Disclosure of accounting principles and policies** › Clarification of disclosures about significant accounting policies	01/01/2023	
Amendement to IAS 8	**Defining an accounting estimate** › Clarifying the difference between a « change in accounting policy" and a "change in accounting estimate" by defining what an accounting estimate is	01/01/2023	
Practice Statement 2 updated	› Proposed approach for analyzing the relevance of accounting information and examples of application of the amended IAS 1 principles		

› Adopted IASB standards but not yet applicable

Text	Heading	Effective Date - IASB	Effective Date - UE
IFRS 17	**Insurance Contracts** › New insurance contract standards replacing IFRS 4 (including amendments published in June 2020)	01/01/2023	
Amendement to IFRS 16	**Deferred taxes on assets and liabilities from the same transaction** › Accounting for deferred taxes on transactions such as leases and decommissioning obligations	01/01/2023	
Amendement to IFRS 16	**Rental obligation under a sale and leaseback** › Clarifications on the subsequent measurement of sale and leaseback transactions, especially those with variable lease payments	01/01/2024	
Amendement to IAS 1	**"Non-current liabilities with covenants"** › Clarification of the covenant to be tested no later than the closing date and its impact on the classification of the debt as current or non-current	01/01/2024	

Basis of evaluation used in preparing the consolidated financial statements: the consolidated financial statements are drawn up under the historic cost convention, with the exception of certain categories of assets and liabilities in compliance with the rules laid down by IFRS. The categories in question are listed in the following notes.

GENERAL GUIDELINES ON CONSOLIDATION

1) Consolidation :

a) Subsidiaries (controlled companies) are fully integrated entities and consolidated according. Control is defined as the power to govern the financial and operating policies of an entity so as to benefit from its activities, where exercising that control is based on ownership of more than half of the voting rights. Subsidiaries become fully integrated and consolidated entities starting on the date on which control is transferred to the Group. They are considered separated and cease to be consolidated from the date on which control is transferred out of the group. At the consolidation level all intercompany transactions are eliminated.

b) Associates are all entities over which the Group does not exercise control but over which it exercises significant influence, generally through shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) recognized upon acquisition. The Group's share in the results of associates subsequent to acquisition is recognized in consolidated income. When the Group's share of losses of an associate is greater than or equal to its stake in the associate, including any unsecured receivables, the Group does not recognize additional losses unless it has incurred an obligation or made payments on behalf of the associate. Unrealized gains on transactions between the Group and its associates are eliminated in proportion to the Group's investment in the associates. Unrealized losses are also eliminated, unless the transaction indicates an impairment of the asset. The accounting policies of associates have been changed when necessary to align them with those adopted by the Group. Dilution gains and losses in associates are recognized in the income statement.

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

3) Business Combinations: These business combinations are accounted for using the purchase method. The first time an exclusively controlled company gets consolidated, the assets, liabilities and contingent liabilities of the acquired company are measured at fair value in accordance with IFRS. Valuation differences that may arise are recognized in the relevant assets and liabilities, including the minority interest, and not only for the share of the registered shares. The residual difference of the excess of the cost of the business combination over the acquirer's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognized as an asset, in goodwill. If, after re-estimating, the acquirer's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognized immediately in profits or losses

4) Minority Interests: They are recognized on the basis of the fair value of the net assets acquired. Disposals to minority interests generate gains or losses which the Group recognizes in the income statement. Acquisitions of shares from minority interests give rise to goodwill. This goodwill represents the difference between the price paid and the acquired registered share corresponding to the book value of the net assets.

By analogy with the treatment adopted for the sale, the opening of capital reserved for minority interests without changing the consolidation method generates a dilution profit which gets recognized in other incom

5) Foreign Currency Translation: The Group's consolidated financial statements have been drawn up in euros. The balance sheets of those companies whose functional currency is not the euro are translated into euros at the closing exchange rate and their income statements and cash flows converted at the average exchange rate for the year.

Currency translation differences are listed as equity under «Translation differences». Goodwill and fair value adjustments arising from the acquisition of a foreign entity are considered as assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate.

6) Translations of transactions denominated in foreign currencies: Transactions denominated in foreign currencies are translated at the exchange rate prevailing at the time of the transaction. At year-end, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. The resulting translation differences are recorded in the income statement (under other financial income and expenses)

EVALUATION METHODS

1) Intangible and tangible assets: In accordance with IAS 16 «Property, Plant and Equipment» and IAS 38 «Intangible Assets», only those items whose cost can be reliably determined and for which it is probable that future economic benefits will profit the group are recognized as fixed assets. In accordance with IAS 36 «Impairment of Assets», when events or changes in the market environment indicate a risk of impairment of intangible assets and property, plant and equipment, these are subject to a detailed review to evaluate whether their net book value is lower than their recoverable value. The recoverable amount is defined as the higher of the fair value (minus selling costs) and the value-in-use. Value-in-use is determined by discounting the future cash flows expected from the use of the asset and its disposal. If the recoverable amount is less than the net book value, an impairment loss is recognized for the difference between these two amounts. Impairment losses on property, plant and equipment and intangible assets with a finite lifespan may be reversed at a later date if the recoverable amount becomes higher than the carrying amount (within the limit of the impairment loss initially recognized).

2) Other intangible assets: Items recognized as intangible assets are mainly software. Software is either acquired or developed internally. Intangible assets are generally amortized on a straight-line basis over a period of 8 years. There are no intangible assets for which the lifespan is considered to be indefinite. All intangible assets (excluding goodwill) are amortized over their estimated lifespan.

These internally developed software solutions are amortized from the date of internal acceptance of the project over the expected marketing life of the software package.

Development costs that do not meet the criteria defined by IAS 38 are recognized as current operating expenses as incurred. Research costs are recognized as an expense.

3) Tangible assets: Tangible assets, property, plant and equipment are stated at historical cost to the Group minus accumulated depreciation and any impairment losses. Depreciation is generally calculated on the basis of the following average lifetime:

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

The Group uses the straight-line basis of depreciation. Assets financed by leasing or long-term rental contracts, which in substance transfer all the risks and rewards of ownership of the asset to the lessee, are recognized as fixed assets. The residual value is taken into account in the depreciable amount when it is deemed significant. The various components of an item of property, plant and equipment are accounted for separately when their estimated lifespan and therefore their depreciation period are significantly different.

4) Goodwill: Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the subsidiary (associate) at the date of acquisition. Goodwill arising on the acquisition of associates is included in investments. Goodwill recognized separately is tested for impairment annually. The methodology used consists mainly in comparing the recoverable amounts of each of the Group's operating entities with the corresponding net assets (including goodwill). These recoverable amounts are determined mainly on the basis of discounted future operating cash flow projections and a terminal value. The assumptions used in terms of changes in revenue and terminal values are reasonable and consistent with the market data available for each of the operating entities and their budgets as approved by senior management

Additional impairment tests are conducted if particular events or circumstances indicate a potential impairment. Impairment losses on goodwill are not reversible.

5) Noncurrent financial assets: This item includes loans, investments in non-consolidated companies and security deposits. Loans are carried at amortized cost. They may be subject to a provision for impairment if there is objective evidence of impairment. Impairment corresponding to the difference between the net book value and the recoverable value is recognized in the income statement and is reversible if the recoverable value were to change favorably in the future. At each balance sheet date, other financial assets are reviewed to determine whether there is any objective evidence that they may be impaired. Where necessary, a provision for impairment is recorded

6) Inventories: Inventories consist of computer hardware, licenses and work-in-progress. Inventories of goods and licenses are valued at cost or net realizable value. Cost is generally calculated using the weighted average cost method. Net realizable value represents the estimated selling price in the ordinary course of business less the costs expected to be incurred in making the sale.

Net realizable value represents the estimated selling price in the ordinary course of business, less the expected costs of completion or realization of the sale.

Work in progress is valued using the percentage of completion method. The valuation of work in progress is represented by the gross salary plus social security charges.

7) Clients & other receivables: Trade and other receivables are recorded at cost less any value adjustments. Receivables are reviewed annually on an individual basis and impairment is determined on the basis of the age of the receivables

8) Treasury shares: Treasury shares have been cancelled in accordance with IFRS.
Gains and losses on the disposal of these securities are recognized directly in equity and do not contribute to net income for the year.

9) Provisions for pensions, retirement benefits and other employee benefits: In accordance with the laws and practices of each country in which it is established, the group offers a corporate pension plan. Whether for basic pensions schemes or other contribution plans, the Group recognizes the contributions payable as an expense when they are due and no provision is recognized, as the Group commits only to the contributions paid.

For those defined benefit plans, provisions are determined as follows:

- The actuarial method used is the projected unit credit method, which stipulates that each period of service gives rise to the recognition of a unit of benefit entitlement and values each of these units separately to obtain the final obligation. These calculations include assumptions concerning mortality, employee turnover and projected future salaries;

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

11) Interest-bearing loans: Interest-bearing loans are recorded at their original nominal value, minus the directly attributable transaction costs. They are subsequently carried at amortized cost. The difference between the amortized cost and the redemption value is recognized in the income statement on the basis of the effective interest rate over the term of the loans.

12) Deferred tax: Deferred taxes are calculated on all temporary differences between the tax base and the consolidated value of assets and liabilities. These include notably the elimination of entries recorded in the individual financial statements of subsidiaries as per application of tax-based valuations. The liability method is applied and the effects of changes in tax rates are recorded in shareholders' equity or in income for the year in which the change in tax rate is decided. Deferred tax assets are recognized in the balance sheet to the extent that it is more likely than not that they will be recovered in future years.

Deferred tax assets and liabilities are not discounted. In assessing the group's ability to recover these assets, the following factors are taken into account:

› Forecast of fiscal results over a five-year period based on budgets and plans established by management;
› Portion of extraordinary expenses not expected to recur in the future included in past losses;
› History of previous years' tax results

Le Groupe compense les actifs et les passifs d'impôts différés si l'entité possède un droit légal de compenser les impôts courants actifs et passifs et si les actifs et passifs d'impôts différés relèvent de la même autorité fiscale.

13) Cash and cash equivalents: In accordance with IAS 7 «Cash Flow Statement», cash and cash equivalents in the consolidated cash flow statement include cash and short-term, liquid investments that are readily convertible to a known amount of cash. Investments in listed shares, investments with a maturity of more than three months and without an early withdrawal option, and restricted bank accounts are excluded from the cash flow statement. In accordance with IAS 39 «Financial Instruments», marketable securities are measured at fair value. No investments are analyzed as held-to-maturity. For investments considered as held for trading, changes in fair value are systematically recognized in the income statement. For the purposes of the cash flow statement, bank overdrafts are shown net of cash and cash equivalents

14) Revenue: Revenues consist of sales of goods, sales of services produced in the course of the group's core business and license income (net of VAT). They are measured at the fair value of the proceeds received or receivable, net of discounts and rebates. Revenue is recognized as sales when the company has transferred to the buyer the significant risks and rewards of ownership of the goods. In general, revenue from the sale of goods and equipment is recognized when there is a formal agreement with the customer; that the delivery has been completed; that the amount of revenue can be measured reliably and that the economic benefits of the transaction will likely profit the group. Revenue from licenses whether sales or other revenues associated with software, the group generally recognizes revenue upon delivery of the software.
For transactions involving the rendering of services, the group recognizes revenue over the period in which the services are rendered using the percentage of completion method.

15) Other non-recurring operating income and expenses: The Group has decided to group together under a single heading called «Other non-recurring operating income and expenses», those items (income and expenses) which, because of their nature, frequency and/or relative importance, are not of a current nature.

This income and expenses include:

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

16) Cost of financing: Includes interest income and expenses on financial debts (including debts on finance leases) and total cash and cash equivalents (cash, cash equivalents and marketable securities)

17) Operating Segments: An operating segment is a distinct component of the Group:

- that engages in activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Chief Operating Officer of the Group in order to make decisions on the resources to be allocated to the sector and to evaluate its performance;
- and for which supporting independent financial information is available.

The Group's Chief Operating Decision Maker has been identified as the Chief Executive Officer who makes the strategic operational decisions.

In accordance with IFRS 8 «Operating Segments», information by operating segment is derived from the internal organization of the Group's activities. The segments determined in accordance with IFRS 8 are:

- Infrastructure et SaaS ;
- In-house software development and integration of business management solutions.

Segment assets are operating assets used by a segment in the course of its business operations.

They include allocable goodwill, intangible assets and property, plant and equipment, as well as current assets used in operating activities.

18) Earnings per share: Basic earnings per share are calculated by dividing net income from continuing operations (Group share) by the weighted average number of shares outstanding during the year, excluding the average number of ordinary shares purchased and held as treasury stock. Diluted earnings per share are calculated by taking into account all instruments giving deferred access to the capital of the consolidating company, whether they are issued by the company itself or by its subsidiaries. Dilution is determined on an instrument-by-instrument basis, taking into account the conditions existing at the balance sheet date and excluding anti-dilutive instruments.

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

19) Financial Risk Management Policy: The PRODWARE SA Group is not exposed to a foreign exchange risk because the group generates nearly 95% of its turnover in euros. Given this context, the company does not hedge the exchange rate risk.

20) Net income from discontinued activities: The PRODWARE SA Group presents the income and expenses as well as the result of the disposal of its activities sold during the financial year on a separate line. This result is presented net of tax.

21) Research Tax Credit: The PRODWARE SA Group recognizes the income from the research tax credit in the current operating margin when it is not linked to capitalized developments. It is recorded on the personnel expenses line (as a deduction from personnel costs). Otherwise, it is recognized as a deduction from capitalized development costs.

2 MAIN SOURCES OF UNCERTAINTIES REGARDING ESTIMATES

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) requires the Group to make a number of estimates and assumptions that affect the reported amounts of assets, particularly goodwill and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the period. Changes in facts and circumstances may cause the Group to revise these estimates.

3 IMPORTANT EVENTS IN THE YEAR

The significant events of the year are:

- After two years affected by the pandemic, Prodware is now back on track with a strong growth curve in both operational and financial performance in 2022.
- The group thus generated revenues of €188,281k, an increase of more than 13% compared to the previous year.
- Ebitda reached an all-time high of €52 047k, representing a margin of 27.6% of revenues.
- The net result, Group share, amounts to €15 703k, compared to the €68 457k in loss due to the exceptional depreciation of 'on premise' assets.
- Prodware's capital structure changed significantly in 2022 as a result of the public tender offer (the "Offer") for the shares of Prodware SA initiated at the end of 2021 by Phast Invest.
- Following the successful completion of this takeover bid, the Concert - composed of Phast Invest, its managers and historical shareholders - were able to acquire nearly 93% of Prodware's share capital on February 18, 2022.

- At the end of June 2022, Prodware having proceeded to the cancellation of the balance of its treasury shares and preference shares, Phast Invest's shareholding has automatically increased to 94% of the capital of Prodware SA.
- Given the healthy trend in business and this solid capital structure, the Group intends to continue and accelerate its growth strategy to boost profits.

4 SUBSEQUENT EVENTS

In February 2023, Phast Invest raised €20 million to support its business growth strategy for the Prodware group, especially to expand internationally.

Prodware has since acquired the Westpole Belux group and four companies in Belgium, Luxembourg, France and Italy.

Westpole is a group with expertise in Information Technology, specifically addressing large industrial accounts, public markets and banks.

It generates about €40m in revenue and employs 300 people.

In a context of strong geopolitical, economic and social tensions in Europe, the Group is confident that this growth momentum will continue, but remains cautious about the potential impact of these tensions on the achievement of these growth objectives.

The Group pays close attention to the evolution of its various activities and reviews the risks that could significantly impact its growth and results.

5 CHANGES IN SCOPE OF CONSOLIDATION

The scope of consolidation of PRODWARE SA has undergone the following changes during 2022. For 2022, the scope of consolidation is as follows:

Company name	City	Country	Close date of accounts	Control %	% interest	Consolidation model	Consolidation period
CAP LEASE	Lyon	France	Dec. 31	90.00%	90.00%	Full consolidation	01/01/22-12/31/22
CKL Software Gmbh	Hamburg	Allemagne	Dec. 31	50.00%	50.00%	Equity methoed	01/01/22-12/31/22
Prodware Belgium	Enghien	Belgique	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Czech Republic	Olomouc	Czech Republic	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Deutschland AG	Hamburg	Germany	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Eastern Europe	Bucarest	Romania	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Georgia	Georgie	Georgia	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware London Limited	Londres	UK	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware London SE Limited	Londres	UK	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Luxembourg	Luxembourg	Luxembourg	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Morocco	Casablanca	Morocco	Dec. 31	66.20%	66.20%	Full consolidation	01/01/22-12/31/22
Prodware Netherlands BV	Zaltbommel	Netherlands	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware Retail Competence Center	Madrid	Spain	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
PRODWARE SA	Paris	France	Dec. 31	Consolidating company		Full consolidation	01/01/22-12/31/22
Prodware Spain	Zamudio	Spain	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22
Prodware UK Limited	Lancashire	UK	Dec. 31	100.00%	100.00%	Full consolidation	01/01/22-12/31/22

6 INFORMATION BY OPERATING SEGMENT

In accordance with IFRS 8 - Operating Segments, the information presented below for each operating segment is the same as that presented to the Group's Chief Operating decision maker (the Chief Executive Officer) for decision-making regarding the allocation of resources to the segment and assessing its performance.

Management measures the performance of each segment based on:

- operating margin as defined in note 1.17 ;
- segment assets (defined as the sum of goodwill, intangible assets, property, plant and equipment, investments in associates, trade and other receivables).

Data by segment follows the same accounting policies as those used by the Group to prepare its consolidated financial statements and explained in the notes to the financial statements

All inter-segment commercial relationships are based on markets, and on terms and conditions similar to those prevailing for supplies of goods and services to third parties outside the Group

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

	12/31/2022	Infrastructure and SaaS	In-house software development & implementation of Business solutions
Revenue (1)	188 281	58 532	129 749
Operating margin (EBITDA	52 047	19 040	33 007
Current operating income	29 303	10 953	18 350
Operating income	29 303	10 953	18 350
'(1): The revenue for in-house dev solutions stands at €65 917K in 2022			

	12/31/2021	Infrastructure and SaaS	In-house software development & implementation of Business solutions
Revenue (1)	165 523	53 977	111 546
Operating margin (EBITDA	36 044	17 327	18 718
Current operating income	14 412	9 285	5 127
Operating income	-50 705	9 285	-59 989
'(1): The revenue for in-house dev solutions stands at €57 80K in 2021			

Assets (K€)	12/31/2022	Infrastructure and SaaS	In-house software dev & implementation of Business solutions
Acquisition differential	32 638	1 267	31 372
Intangible assets	168 801	1	168 799
Tangible assets	2 880	476	2 403
User fees	10 277		10 277
Segment assets	73 871	16 829	57 042
Other assets	63 867	7 945	55 922
TOTAL ASSETS	**352 334**	**26 518**	**325 816**

Assets (K€)	12/31/2021	Infrastructure and SaaS	In-house software dev & implementation of Business solutions
Acquisition differential	32 638	1 267	31 372
Intangible assets	145 552	21 137	124 415
Tangible assets	2 379	441	1 939
User fees	10 016		10 016
Segment assets	62 653	10 141	52 512
Other assets	72 007	3 955	68 052
TOTAL ASSETS	**325 245**	**36 940**	**288 304**

7 REVENUE

	12/31/2022	12/31/2021	Var°	%
Sales of licenses & computer equipment (Hardware)	28 741	19 695	9 046	45.9%
Services	83 880	79 486	4 394	5.5%
Maintenance contracts & support	23 795	22 305	1 490	6.7%
Hosting (Saas)	51 865	44 036	7 829	17.8%
Gross revenues	**188 281**	**165 523**	**22 758**	**13.7%**
Restatement of revenue (change in scope)				
Revenues on a like-for-like scope basis	**188 281**	**165 523**	**22 758**	**13.7%**

Revenue split by geography:

	12/31/2022	%	12/31/2021	%
French-speaking zone*	88 254	46.9%	76 704	46.3%
International	**100 027**	**53.1%**	**88 819**	**53.7%**
(*): Including Maghreb				

PERSONNEL EXPENSES 8

	12/ 31/2022	12312/2021
Salaries, wages & social charges	-75 736	-70 935
Retirement benefits		
Employee profit-sharing		
Capitalized production	17 380	10 349
Research tax credit for the year net of fees	4 528	4 515
TOTAL	**-53 829**	**-56 071**

Retirement benefit obligations have been recognized in 2021 under Depreciation, amortization and provisions, net of reversals.

PRODWARE SA obtained a research tax credit net of fees of €4 528k for fiscal 2022 compared with €4 515k in 2021.

The counterpart in the expense account of the research tax credit and capitalized production is strictly payroll.

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

Headcount as of :	12/12/2022	12/31/2021
TOTAL	**1 096**	**1 065**

OTHER NET INCOME & EXPENSES 9

ITEMS	12/31/2022	12/31/2021
Stored production		
Other income & expense transfers	2 318	1 136
Other charges	-4 564	-1 754
Other current operating income and expenses	**-2 247**	**-618**

OTHER NON-RECURRING OPERATING INCOME & EXPENSES

The Group lists the items «expenses» and «income» under a single heading called «Other non-recurring operating expenses and income,» because their nature, frequency and/or importance are non-current.

These revenues and expenses relate to:

- share-based payments;
- impairment losses on goodwill, impairment losses or, where applicable, reversals of impairment losses on intangible assets associated with customer portfolios;
- gains and losses on disposals of consolidated businesses and investments;
- other unusual and material items not directly related to day-to-day operations and transaction costs.

This item is broken down as follows:

In K€	12/31/2022	12/31/2021
Proceeds from sale of property, plant and equipment and intangible assets		
Net value of disposals of tangible and intangible assets		-
Proceeds from sale of financial assets		
Net value of disposals of financial assets		
Other non-current income		1 931
Other non-current expenses		-2 412
Amortization of on-premise intangible assets (1)		-64 635
Impairment of goodwill		
Other operating income and expenses	**-**	**-65 116**

(1) Following this exceptional depreciation, the Group has proceeded to the disposal of some of its non-core assets in 2021 (on-premise mode) for €64 635k

11 INCOME FINANCIAL

ITEMS	12/31/2022	12/31/2021
Interest fees	-9 885	-6 548
Cost of gross debt	-9 885	-6 548
Income from debt and investment securities		-
Income from cash and cash equivalents		-
Cost of net debt	-9 885	-6 548
Right of use asset	-156	-156
Other financial income and expenses	-1 116	-4 705
Financial income	**-11 157**	**-11 408**

12 TAXES

Analysis of tax response:

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

ITEMS	31/12/2022	31/12/2021
Tax liability (expense -)	-3 592	-495
Deferred tax (proceeds + / expense -)	1 097	-5 997
TOTAL	**-2 495**	**-6 492**

ITEMS	31/12/2022	31/12/2021
Income before taxes	17 407	-65 279
Expense (-) or proceeds (+) of theoretical tax	-4 352	18 278
Reconciliation:		
Sustainable differences (1):	-188	621
Temporary differences	-	-
Utilization of unrecognized deferred tax assets	-466	-43
Non-activated tax losses	-583	-19 872
Activated tax losses	1 718	-5 589
Exchange rate differential		
Tax rate gap with consolidating company	1 377	112
TOTAL	**-2 495**	**-6 492**

(1): This item includes a permanent difference on the Research Tax Credit for Prodware France recorded at €1 245k in 2022 and €1 264k in 2021

Origin of taxable temporary differences:

	12/31/2022		12/31/2021		Variation
ITEMS	IDA	IDP	IDA.	IDP.	2022/2021
Intangible assets					-
Other assets	215		152		63
Provisions & pension liabilities	733		916		-183
Other liabilities					-
Capital loss carryforward*	3 541		2 571		970
TOTAL	**4 489**	-	**3 639**	-	**850**

*Deferred tax assets are measured on the basis of tax loss carryforwards, temporary differences and temporary consolidation differences.

At the balance sheet date, the Group's loss carryforwards amount to €149 429k and are available to offset future taxable profits. Losses carried over, for which an asset has been recognized, can be carried forward indefinitely.

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

13 EARNINGS PER SHARE

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

ITEMS	12/31/2022	12/31/2021
Net income of continued business activities	15 886	-68 459
Number of shares as of January 1st	7 748 042	7 748 042
Number of shares as of December 31st	7 654 251	7 748 042
Average number of shares	7 698 705	7 411 318
Net earnings per share based on average number (euros)	**2.063**	**-9.237**
Potential capital BSA Managers and Strategic Providers	1 969 300	1 969 300
Total number of potential shares	9 668 005	9 380 618
Diluted earnings per share (euros)	**1.643**	**-9.237**

ITEMS	12/31/2022	12/31/2021
Authorized share capital (in thousands of euros)	4 975	5 036
Number of ordinary shares of a nominal value of €0.65	7 654 251	7 748 042
Subscribed, called and paid-up capital:		
Beginning of the year:	7 748 042	7 748 042
Issued shares	-	-
At closing:	7 654 251	7 748 042

The Group no longer holds any treasury shares at the end of fiscal year 2022.

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SHARE OF PROFITS & LOSSES OF ASSOCIATES

The share of profits of associates corresponds to:

- the share of profit in CKL SOFTWARE accounted for by the equity method.

The Group received €250k in dividends from CKL SOFTWARE in 2022.
The financial data for CKL SOFTWARE:

- Revenue: €1 873K
- Net income: €485K
- Equity: €1 239K
- Cash carried as an asset: €1 719K

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NET INCOME FROM ACTIVITIES TRANSFERRED

PRODWARE SA did not sell any business entities or activities in 2022.

16 GOODWILL

Goodwill is broken down as follows:

ITEMS	TOTAL
Gross value:	
As of January 1st, 2021	**35 140**
Acquisitions	
Reclassification as goods for sale	
Divestments	
Other variations and adjustments	
As of December 31st, 2021	**35 140**
Acquisitions	
Reclassification as goods for sale	
Divestments	
Other variations and adjustments	
As of December 31st, 2022	**35 140**
Depreciation:	
As of January 1st, 2021	**2 501**
Provision for fiscal period	
Other variations and adjustments	
As of December 31st, 2021	**2 501**
Provision for fiscal period	
Other variations and adjustments	
As of December 31st, 2022	**2 501**
Net book value as of December 31st, 2022	**32 638**
Net book value as of December 31st, 2021	32 638

The recoverable amount of a CGU is determined on the basis of a value-in-use calculation. These calculations use cash flow projections based on budgetary data approved by management. They are also based on the following assumptions:

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

As a result, the discount rate used for fiscal 2022 is 10.85% compared to 10% in 2021.
The impairment test of the CGUs presented is conducted by geography

Country	2022				2021			
	Net value of goodwill	Yearly ave. Growth rate of revenue from 2023 to 2027	Perpetual growth rate	Weighted average cost of capital (WACC)	Net value of goodwill	Yearly ave. Growth rate of revenue from 2022 to 2026	Perpetual growth rate	Weighted average cost of capital (WACC)
France (1)	19 002	5.36%	1.50%	11%	19 002	6.8%	1.50%	10%
Netherlands	4 677	13.0%	1.50%	11%	4 677	13.0%	1.50%	10%
Belg. / Lux	1 144	12.3%	1.50%	11%	1 144	3.7%	1.50%	10%
Germany	5 918	3.9%	1.50%	11%	5 918	4.2%	1.50%	10%
UK	702	13.7%	1.50%	11%	702	10.3%	1.50%	10%
Spain	1 195	3.2%	1.50%	11%	1 195	2.4%	1.50%	10%
Total	**32 638**				**32 638**			

(1) UGT France includes the following companies: Prodware France, CAP LEASE, Prodware London and Prodware SE.

Impairment Sensitivity Analysis (in thousands of euros):

Country	2022			2021		
	Net value of goodwill	WACC + 0.5 points	Zero growth rate	Net value of goodwill	WACC + 1 point	Zero growth rate
France (1)	19 002	-15 938	-17 335	19 002	-8 439	-19 002
Netherlands	4 677	-	-	4 677	-	-
Belg. / Lux	1 144	-	-	1 144	-	-
Allemagne	5 918	-	-	5 918	-	-
UK	702	-	-	702	-	-6
Spain	1 195	-	-	1 195	-	-
Total	**32 638**	**-15 938**	**-17 335**	**32 638**	**-8 439**	**-19 008**

(1) France CGU includes Prodware France, CAP LEASE, Prodware London and Prodware SE.

17 INTANGIBLE AND TANGIBLE ASSETS

ITEMS	Software	Other intangible assets	Total intangible assets	Tangible assets	Total tangible assets
Gross value:					
As of January 1st, 2021	**229 725**	**24 649**	**254 376**	**25 847**	**25 847**
Acquisitions	21 139	24 611	45 750	480	480
Reclassified as goods for sale					
Reclassifications					
Divestments	-40 240		-40 240	-76	-76
Change in scope					
Other variations	-4		-4	-52	-52
Exchange rate differential	48	1	49	83	83
Change in consolidation method					
As of December 31st, 2021	**210 668**	**49 260**	**259 931**	**26 281**	**26 281**
Acquisitions	32 882	3 117	35 999	1 386	1 386
Reclassified as goods for sale			-		-
Reclassifications			-		-
Divestments	-1 723		-1 723	-142	-142
Change in scope			-		-
Other variations	-18 841		-18 841	-12	-12
Exchange rate differential	-39	-1	-40	-33	-33
Change in consolidation method			-		-
As of December 31st, 2022	**222 948**	**52 376**	**275 323**	**27 481**	**27 481**

Amortizations & Depreciation:					
As of January 1st, 2021	**80 268**	**20**	**80 289**	**21 649**	**21 649**
Change in scope & adjust-ments					
Provision for fiscal period	70 943	3 410	74 353	2 313	2 313
Resumption of fiscal year	-40 312		-40 312	-74	-74
Reclassification					
Change in scope					
Other variations	-		-	-58	-58
Exchange rate differential	48	1	48	71	71
Sale of contracts					
As of December 31st, 2021	**110 947**	**3 431**	**114 379**	**23 902**	**23 902**
Change in scope & adjust-ments			-		-
Provision for fiscal period	12 362	1	12 364	821	821
Resumption of fiscal year	-1 723		-1 723	-73	-73
Reclassification			-		-
Change in scope			-		-
Other variations	-18 459	1	-18 457	-11	-11
Exchange rate differential	-39	-1	-40	-37	-37
Sale of contracts			-		
As of December 31st, 2022	**103 089**	**3 433**	**106 523**	**24 602**	**24 602**
Net book value as of De-cember 31st, 2022	**119 859**	**48 943**	**168 801**	**2 879**	**2 879**
Net book value as of De-cember 31st, 2021	99 720	45 830	145 552	2 379	2 379

The «Software» item mainly includes the capitalization of development costs for software developed in-house

ITEMS	Right-of-use asset	Right-of-use asset – Transportation equipment	Right-of-use asset – IT equipment	Right-of-use asset – other tangible assets	Right-of-use asset - total
Gross value:					
As of January 1st, 2021	**7 577**	**3 915**	**25 275**		**36 768**
Acquisitions	535	983	14 031		15 549
Reclassification as goods for sale					
Reclassifications					
Divestments	-1 891	-780	-30 827		-33 498
Change in scope					
Other variations					
Exchange rate differential	29	1	1		31
Change in consolidation method					
As of December 31st, 2021	**6 251**	**4 120**	**8 479**	**-**	**18 849**
Acquisitions	4 493	873	1 406	0	6 772
Reclassification as goods for sale					-
Reclassifications					-
Divestments	-2 920	-1 465	-495	-3	-4 883
Change in scope					-
Other variations					-
Exchange rate differential	-11	-1	-0	0	-12
Change in consolidation method					-
As of December 31st, 2022	**7 812**	**3 527**	**9 389**	**-3**	**20 725**

Amortizations & Depreciations :					
As of January 1st, 2021	**3 235**	**1 733**	**4 639**	**-**	**9 606**
Change in scope & adjust-ments					-
Provision for fiscal period	1 932	1 251	5 974		9 157
Resumption of fiscal year	-1 891	-766	-7 378		-10 035
Reclassification					
Change in scope					
Other variations	35	56			91
Exchange rate differential	13	1	-		14
Sale of contracts					
As of December 31st, 2021	**3 324**	**2 275**	**3 235**	**-**	**8 834**
Change in scope & adjust-ments					-
Provision for fiscal period	2 417	1 117	2 968	1	6 502
Resumption of fiscal year	-2 920	-1 465	-495	-3	-4 883
Reclassification					-
Change in scope					-
Other variations					-
Exchange rate differential	-4	-1	-0	0	-5
Sale of contracts					
As of December 31st, 2022	**2 818**	**1 925**	**5 707**	**-2**	**10 448**
		-			
Net book value as of De-cember 31st, 2022	**4 995**	**1 602**	**3 682**	**-0**	**10 277**
Net book value as of De-cember 31st, 2021	2 927	1 845	5 244	-	10 016

18 NON-CURRENT FINANCIAL ASSETS

Changes in financial assets are:

ITEMS	Gross value	Impairment	Net value
Gross value:			
As of January 1st, 2021	**3 258**	**-**	**3 258**
Increase	352		352
Change in scope			-
Variation of net position of equity method	-305		-305
Decrease	-105		-105
Reclassification			-
Exchange rate differential	1		1
As of December 31st, 2021	**3 202**	**-**	**3 202**
Increase	103		103
Change in scope			-
Variation of net position of equity method	-15		-15
Decrease	-46		-46
Reclassification			-
Exchange rate differential	-2		-2
As of December 31st, 2022	**3 241**	**-**	**3 241**

ITEMS	12/31/2022	12/31/2021
Security Deposits	899	949
Net value of unconsolidated equity shares		
Investments in associated companies	619	634
Loans	1 723	1 619
TOTAL	**3 241**	**3 202**

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

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

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

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

19 STOCKS

ITEMS	12/31/2022	12/31/2021
Current stocks		
Stock – hardware & software	-	1
Total historic cost:	**-**	**1**
Depreciation:		
As of January 1st, 2021:		
Provision for fiscal period		
Resumption of fiscal period		
As of December 31st, 2021:		
TOTAL	**-**	**1**

20 TRADE RECEIVABLES & OTHER RECEIVABLES

ITEMS	12/31/2022	12/31/2021
Accounts receivable	54 401	49 625
Depreciation of accounts receivable	-2 746	-2 952
Net amount of accounts receivable	**51 654**	**46 673**
Other net receivables	20 539	14 807
Prepaid expenses	1 678	1 172
TOTAL	**73 871**	**62 652**

A provision for depreciation has been recorded for the estimated irrecoverable amounts in the amount of €2 746k. This provision has been determined on the basis of factors identified at the balance sheet date. The net amount recognized for the receivables corresponds approximately to their fair value

The Group's credit risk is essentially related to its accounts receivables. The amounts presented in the balance sheet are net of provisions for impairment. An impairment loss is recognized when there is an identified risk of loss which, based on past experience, provides sufficient evidence of a reduction in the recoverable amount of the accounts receivables.

The aging of trade receivables net of allowances is as follows:

Accounts receivables – payment schedule (net)	12/31/2022	12/31/2021
Receivables not yet due	37 311	32 588
Receivables 30 days overdue	4 314	6 951
Receivables 60 days overdue	1 661	3 199
Receivables 90 days overdue	528	1 047
Receivables more than 90 days overdue	7 841	2 888
TOTAL	**51 654**	**46 673**

Payment schedule	Amount	< 1 year	1 to 5 years
Social claims	82	82	
Tax receivables	16 245	1 627	14 618
Security deposit (RTC)	2 049	2 049	
Other receivables	3 840	3 840	
Other net receivables	**22 216**	**7 598**	**14 618**

Impaired assets are as follows:

ITEMS (In K€)	
Depreciation resreve as of December 31st, 2020	**2 585**
Change in scope	
New depreciation	1 186
Reversal of depreciation including depreciation used	-825
Exchange rate differential	6
Reclassification & adjustments	
Depreciation reserve for customers as of December 31st, 2021	**2 952**
Change in scope	
New depreciation	565
Reversal of depreciation including depreciation used	-762
Exchange rate differential	-9
Reclassification & adjustments	
Depreciation reserve for customers as of December 31st, 2022	**2 746**

The other current receivables:

ITEMS	12/31/2022	Up to 1 year at the most	1 to 5 years	31/12/2021	Up to 1 year at the most	1 to 5 years
Other net receivables	20 539	5 921	12/31/2021	14 807	14 807	11 938
Prepaid expenses	1 678	1 678		1 172	1 172	
TOTAL	**22 216**	**7 598**	**14 618**	**15 979**	**15 978**	**11 938**

Included in «Other net receivables» item, is the tax debt related to the 2022 research tax credit for an amount of €5M.

21 CASH & CASH EQUIVALENTS

The « Cash equivalents » item consists entirely of cash equivalents and cash on hand as of December 31, 2022 as follows

ITEMS	12/31/2022	12/31/2021
Cash equivalents	2 446	2
Cash assets	53 691	65 165
TOTAL	**56 137**	**65 167**

Bank balances and cash include assets held in bank deposit accounts with a maturity of less than three months.

Cash flow listed in the cash flow statement reads as follows:

ITEMS	12/31/2022	12/31/2021
Available Cash and Cash Equivalents	53 691	65 165
Bank overdrafts & similar loans (Note 24)	-25 750	-27 374
Opening reclassification		
Net cash flow in cash-flow statement	**27 941**	**37 791**

Credit Risk :
The Group's main financial assets are made up of bank accounts and cash, trade and other receivables

The credit risk on treasury assets is limited as the counterparties are banks with high credit ratings assigned by international rating agencies. The Group has no significant concentration of credit risk, due to its exposure being widely spread over numerous market participants.

22 SHARE CAPITAL

The number of shares that may be issued is explained in note 13.

ITEMS	12/31/2022	12/31/2021
Authorized share capital (in thousands of euros)	4 975	5 036
Number of ordinary shares at a nominal value of €0.65	7 654 251	7 748 042
Subscribed, called and paid-up capital	-	-
Beginning of the fiscal period:	7 748 042	7 748 042
Shares issued and/or cancelled	-93 791	
At closing:	**7 654 251**	**7 748 042**

23 CURRENT AND NON-CURRENT PROVISIONS

ITEMS	Retirement benefits & similar obligations	Current Provisions	Total Provisions
Opening	5 587	658	6 245
Allocation	249	2 441	2 691
Recovery	-1 481	-223	-1 703
Other variations			-
Exchange rate differential			-
Change in scope			-
At closing	**4 356**	**2 877**	**7 233**

The provision for contingencies corresponds to labour and commercial disputes, intended to cover risks that have occurred or are in progress and that are clearly defined in terms of their purpose, but whose occurrence, timing or amount are uncertain.

Where post-retirement benefits granted to employees give rise to a future obligation for the Group, a provision for retirement commitments is calculated using an actuarial valuation method as described in paragraph 1.9

The main assumptions used for the actuarial valuations of the plans are as follows

ITEMS	12/31/2022	12/31/2021
Discount rate	3.90%	1.00%
Annual salary increases	2.20%	2.00%

Turnover is determined according to the age of employees

Provisions entered in the balance sheet reflect the net liability for retirement benefits (including social security charges).

The current provision of €2 million refers to the assessment of an existing risk in the dispute between the Group and BPI France.

In this dispute, PRODWARE contests the payments made by BPI France to the tax authorities without PRODWARE's consent, during tax audits concerning the eligibility of certain projects for the 2012 to 2019 research tax credits, of which BPI France had pre-financed a part at the time.

Proceedings to contest the dispute with BPI France and proceedings to contest the tax adjustments relating to the CIR from 2012 to 2014 are currently pending before the courts. To date, the Group has not received any definitive tax reassessment relating to CIRs for any other period.

24 FINANCIAL LIABILITIES

Current and noncurrent financial liabilities vary as follows:

In K€	12/31/2021	Change in scope	Exchange rate differential	Increase	Other variations	Decrease	12/31/2022
Non current debt	144 768	-	-	721	-	-358	145 131
Bank loans and simple bonds	144 768			721		-358	145 131
Current debt	30 963	-	-17	435	-526	-1 105	29 751
Interests on loans	3 589		-0	435	-3	-21	4 001
Bank overdrafts	27 374		-17		-523	-1 084	25 750
TOTAL	**175 731**	**-**	**-17**	**1 156**	**-526**	**-1 462**	**174 881**

In K€	12/31/2022	Up to 1 year at the most	1 to 5 years	More than 5 years
Non current debt	145 131	7 860	-2 302	139 573
Bank loans and simple bonds	145 131	7 860	-2 302	139 573
Current debt	29 751	29 751	-	-
Interests on loans	4 001	4 001		
Bank overdrafts	25 750	25 750		
TOTAL	**174 881**	**37 611**	**-2 302**	**139 573**

(1): This item is net of borrowing costs spread over its term

In K€	Lease liabilities as of 12/31/2021	Change in scope	Exchange rate differential	Noew contracts	Other variations	Termination of contracts	CFS (repayments)	Lease debts as of 12/31/2022	Noncurrent lease debts	Current lease debts
Lease debts	10 244		-8	6 772			-6 394	10 614	4 553	6 061

The discount rates used for IFRS 16 are:

- Property rentals: 1.5 %
- Car rentals: 0.7%
- IT equipment rentals: 1%

The Group believes that the carrying amount of financial liabilities, excluding bank loans, is a reasonable approximation of their fair value

Overdrafts are contracted at variable rates and therefore expose the Group to the risk of fluctuations of these rates.

Banks may demand payment of overdrafts

Liquidity Risk

The group's objective is to maintain a balance between continuity of financing and flexibility through the use of bank overdrafts, financial bills (DAILLY), bank loans and bonds

Financial Covenants

The financing agreement signed in 2021 by Prodware France for €140m includes a financial covenant (Leverage ratio: consolidated net debt/consolidated EBITDA< 3.25) which still stands as of 12/31/2022.

It should be noted that an overall debt ratio (consolidated net debt/consolidated shareholders' equity) on a short-term bank contract, amounting to €8 million, including financial covenants, not yet aligned with the financing contract signed in 2021, does not stand as of December 31st, 2022.

Interest Rate Risks

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

Exchange Rate Risks

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

25 OTHER CURRENT LIABILITIES

ITEMS	12/31/2022	Up to 1 year	12/31/2021	Up to 1 year
Accounts payable	26 907	26 907	25 509	25 509
Partners' current accounts		-		-
Tax liabilities	13 754	13 754	6 625	6 625
Social liabilities	11 565	11 565	11 106	11 106
Other liabilities and deferred revenue	6 683	6 683	6 453	6 453
TOTAL	**58 909**	**58 909**	**49 693**	**49 693**

26 TRANSACTIONS WITH RELATED PARTIES & REMUNERATION OF DIRECTORS & CORPORATE OFFICERS

The Parent Company presenting the accounts is the ultimate controlling entity of the Group. Transactions between the Company and its subsidiaries, entities related to the Group, are eliminated upon consolidation. They are not disclosed in the notes to the financial statements

Transactions between the Group and fully consolidated entities mainly cover

- sale and purchase of merchandise;
- services ;
- Interest income and expenses on current accounts

These transactions have been eliminated upon consolidation.

The expenses recorded for compensation and similar benefits granted to corporate officers are as follows:

	12/31/2022	12/31/2021
Number of people	3	3
Compensation	892 326	671 999
Short-term benefits		
Termination benefits		
Compensation paid in shares		
TOTAL	**892 326**	671 999

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

27 SHARE-BASED PAYMENTS

(SHARE SUBSCRIPTION OR PURCHASE OPTION PLANS)

The Group has granted stock warrants to its employees and corporate officers. The applicable rules may differ depending on the warrant. The exercise period varies according to the beneficiaries. Regardless of the length of the exercise period, the warrants may not be exercised more than five years after the grant date. When an option is exercised, it is settled in shares only.

The plans covered by IFRS 2 and changes in the number of options giving rise to the recognition of an expense are as follows:

Date of issue	Types of securities	Number of securities issued	Parity	Maximum number of potential shares at the end of the period	Subscription price of the security issued	Strike price including subscription	Method of determining fair value of underlying	Amount of the expense incurred under IFRS 2 for previous years (K€)	Amount of the expense incurred under IFRS 2 over the period (K€)	Potential amount of the expense under IFRS 2 for upcoming years (K€)	Maximum term
Mar. 2016	BSAANE	562 000	1 BSA for 1 share	536 000	0,25	8,10	Average price for the 20 days preceding the grant date				Mar. 2026
Dec. 2016	Free ordinary shares	77 900					Average price for the 20 days preceding the grant date	68			Jun. 2021
Apr. 2017	BSAANE	510 000		510 000			Average price for the 20 days preceding the grant date	-			Apr. 2027
Jun. 2017	BSAANE	560 000		560 000			Average price for the 20 days preceding the grant date	-			Jun. 2027
Oct. 2018	BSAANE	363 300		363 300	0,23	13,19	Average price for the 20 days preceding the grant date		-		Oct. 2018
				1 969 300				-	-	-	

28 COMMITMENTS & CONTINGENCIES

Off-balance sheet commitments in connection with the Group's scope of consolidation	Main characteristics (nature, date, counterparts, etc.) (a)	12/31/2022 Amount (K€) (b)	12/31/2021 Amount (K€) (b)
Commitments to acquire equity interests	Guarantees given to financial institutions	None	None
Commitments received	Guarantee received in connection with a loan	None	None
Financial instruments contracted for the receipt or delivery of a non-financial item ("own use" contract)		None	None
Commitments related to the development of the business	Goodwill pledge (1)	216 000	216 000
	Pledge of the Prodware brand (1)	None	None
Fiscal commitments	Commitment to tax authorties (2)	18 751	18 751

(1) : Financial institutions.
(2) : Precautionary registration.

29 STATUTORY AUDITORS' FEES

	Soussan & Soussan				EXCELIA AUDIT				Other auditors			
	Amount HT		%		Amount HT		%		Amount HT		%	
In K€	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Audit												
Statutory audit, certification, review of individual and consolidated accounts (b)												
•Issuer	215	240	97%	100%	215	240	100%	100%				
•Fully consolidated subsidiaries									214	222	100%	100%
Other diligence and services directly related to the mission of the statutory auditor (c)												
•Issuer	6,5		3%									
•Fully consolidated subsidiaries												
Sub-total (1)	221,5	240	100%	100%	215	240	100%	100%	214	222	100%	100%
Other services provided by networks to fully consolidated subsidiaries (d)												
Legal, fiscal, social												
Other (specify if > 10 % of audit fees												
Sub-total (2)	-	-	0%	0%	-	-	0%	0%	-	-	0%	0%
TOTAL (1) + (2)	221,5	240	100%	100%	215	240	100%	100%	214	222	100%	100%

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