



# Universal Registration Document 2022

including the Annual Financial Report

A French public limited company (*société anonyme*) with capital of €2,756,223.20  
Le Valmy  
4/16 avenue Léon Gaumont  
75020 Paris



This Universal Registration Document was filed with the French Financial Markets Authority (AMF), as the competent authority in respect of regulation (EU) 2017/1129, on April 28, 2023, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offer of financial securities or for the admission of financial securities to trading on a regulated market if supplemented by a transaction note and, where applicable, a summary and any amendments made to the Universal Registration Document. The set of documents thus formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

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## MESSAGE FROM THE CHAIRMAN

Dear Sir/Madam,  
Dear Shareholder,

In 2022, **Infotel** posted revenue of €300.4m, an increase of 14.0% compared to the €263.4m recorded in 2021. This performance was twice the sector growth forecast of 7.5% for 2022.

The Services business grew +13.7% to €289.9m, confirming continued strong demand from major accounts to support their digital transformation. In Services, **Infotel** affirmed its strong foothold in the Banking – Finance sector, which accounted for 40.9% of revenue. The Industry sector accounted for 27.0% of revenue. In this sector, Airbus resumed its investments, and the partnership with the manufacturer was strengthened over the year with the Group's business divisions. Services – Transport, which accounted for 17.2% of activity, continued to expand. Insurance – Pensions generated 11.6% of revenue, while the Administration segment accounted for 3.3%.

In what remains a tight hiring market, in 2022, **Infotel** demonstrated good attraction potential to further strengthen its teams. With the integration of 636 new members of staff since the beginning of the year (versus 474 the previous year), the total productive headcount increased to 2,992 people. The inter-contract rate remained very low over the entire year, at 0.9%.

The **Software** business posted solid growth over the year at 24.2% and passed the €10m mark in 2022, at €10.5m. IBM royalties amounted to €1.2m in the fourth quarter and €5.0m over the entire 2022 fiscal year, representing an increase of 29.1%. Orlando, the technical documentation software suite for aircraft, continued its very strong growth with the signing of two new contracts with IndiGo and Oman Air. **Infotel** also entered into an agreement with Airbus to incorporate the Orlando software into its aircraft in replacement of the software currently used by the manufacturer, and a royalty will be paid for each equipped aircraft.

Current operating income amounted to €29.8m, versus €21.9m one year earlier. The current operating margin stood at 9.9% vs. 8.3% in 2021, with an increase in the outsourcing rate to 43.7% of revenue (vs. 41.3% in 2021). Conversely, the relative share of personnel costs compared to revenue decreased, to 37.8% of revenue (vs. 41.6% in 2021).

Net income (Group share) was €20.3m, representing a net margin of 6.8% of revenue, vs. 5.2% in 2021. The Group's financial performance also increased its cash resources: with a pre-tax cash flow of €38.8m and the working capital requirement and investments under control, **Infotel** increased its cash position by €5.0m in 2022. **Infotel's** financial situation on December 31, 2022 was thus further strengthened with €115.1m of equity, no significant debt, and cash of €112.8m at the end of the fiscal year. This enabled us to propose the payment of a dividend of €2.00 per share, representing just over half of the net income, at the Board of Directors' meeting on March 22, 2023.

Bernard Lafforet  
Chairman

## **1. PERSONS RESPONSIBLE**

### **1.1. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT**

Michel Koutchouk,  
Executive Officer.

### **1.2. STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT**

I hereby declare that the information provided in this Universal Registration Document is, to the best of my knowledge, true to fact and that no information has been omitted that would change the interpretation of the information provided.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide an accurate reflection of the assets, financial position and profit or loss of the Company and all the companies included in the consolidation, and that the Management Report (including the information appearing in Chapters 3, 5, 6, 7, 10, 12, 15, 16 and 19) presents a true and fair view of the business developments, results and financial position of the Company and all consolidated companies, and that it describes the main risks and uncertainties that they face.

### **1.3. DECLARATION OF APPROVAL BY THE COMPETENT AUTHORITY**

This Universal Registration Document was filed with the French Financial Markets Authority (AMF), as the competent authority in respect of regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market if it is approved by the AMF as well as any amendments, and a note relating to the securities and the summary approved in accordance with regulation (EU) 2017/1129.

## **2. STATUTORY AUDITORS**

### **2.1. PRINCIPAL STATUTORY AUDITORS**

#### **Audit Consultants Associés**

29 boulevard Malesherbes  
75008 Paris  
Represented by Sarkis Canli  
First appointed on: December 7, 2011

#### **Constantin Associés (member of Deloitte Touche Tohmatsu)**

6 place de la Pyramide  
92908 Paris La Défense Cedex  
Represented by Cécile Rémy  
First appointed on: May 26, 2010

### **2.2. ALTERNATE STATUTORY AUDITORS**

#### **RBB Business Advisors**

133<sup>bis</sup> rue de l'Université,  
75007 Paris  
Represented by Thierry Bretout  
First appointed on: December 7, 2011

#### **CISANE**

6 place de la Pyramide  
92908 Paris La Défense Cedex  
Represented by David Dupont-Noel  
First appointed on: May 26, 2010



## 2.3. STATUTORY AUDITORS' FEES

| In €k   | Audit Consultants Associés |     | Constantin Associés  |     | Audit Consultants Associés |     | Constantin Associés  |     |
|---|----------------------------|-----|----------------------|-----|----------------------------|-----|----------------------|-----|
|   | 2022                       |     | 2022                 |     | 2021                       |     | 2021                 |     |
|   | Amount (excl. taxes)       | %   | Amount (excl. taxes) | %   | Amount (excl. taxes)       | %   | Amount (excl. taxes) | %   |
| <b>Audit</b>  |                            |     |                      |     |                            |     |                      |     |
| - Statutory audit, certification and review of the individual and consolidated financial statements |                            |     |                      |     |                            |     |                      |     |
| - Issuer  | 55                         | 44  | 71                   | 45  | 52                         | 43  | 62                   | 51  |
| - Fully consolidated subsidiaries   | 71                         | 56  | 51                   | 33  | 68                         | 57  | 48                   | 39  |
| - Other due diligence and services directly related to the statutory auditor's assignment           |                            |     |                      |     |                            |     |                      |     |
| - Issuer  |                            |     |                      |     |                            |     |                      |     |
| - Fully consolidated subsidiaries   |                            |     |                      |     |                            |     |                      |     |
| <i>Sub-total</i>  | 126                        | 100 | 122                  | 78  | 120                        | 100 | 110                  | 90  |
| <b>Other services provided by the auditors' networks to fully consolidated subsidiaries (*)</b>     |                            |     |                      |     |                            |     |                      |     |
| - CSR   |                            |     | 15                   | 10  |                            |     | 12                   | 10  |
| - ESEF  |                            |     | 20                   | 12  |                            |     |                      |     |
| <i>Sub-total</i>  |                            |     | 35                   | 22  |                            |     | 12                   | 10  |
| <b>TOTAL</b>  | 126                        | 100 | 157                  | 100 | 120                        | 100 | 122                  | 100 |

### 3. RISK FACTORS

Investors should take into account the risk factors described below, in addition to other information and the Company's consolidated financial statements, to assess **Infotel** and its activities before deciding to invest in **Infotel** shares.

Certain risk factors impacting the IT services sector also apply to **Infotel**. These factors include:

- Increased competition in services, with aggressive price strategies due to the appearance of competitors from emerging countries and the increasing share of fixed-price services with respect to revenue;
- The use by customers of new technologies to create their IT applications;
- New technology purchasing strategies based on free, open-source or cloud programs.

Each of these factors can have a negative impact on operating income and the financial position of the Company. There cannot be any guarantee that the risks described in this Universal Registration Document will not generate problems significantly affecting the financial situation of its activity or its share price. The Company has carried out a review of the risks listed above, which could have a significant negative effect on its activity, financial position, profit or loss or its ability to achieve its objectives and considers that there are no other significant risks other than those described. Additional risks or uncertainties not presently known to the Company or that it considers insignificant may also impair its business and operations.

Pursuant to the Prospectus 3 Regulation and Commission Delegated Regulation of March 14, 2019, the presentation of the risk factors in this chapter takes account of material risks according to their probability of occurrence and their impact on the Group. Moreover, in order to prioritize the risks, the most important risks are presented at the beginning of each category. A risk matrix table is also presented in the chapter devoted to the extra-financial performance declaration. This table aims to provide a summary of them.

#### 3.1. BUSINESS RISKS

##### 3.1.1. Specific Business Risks (including reliance on suppliers, customers, sub-contractors, contracts, manufacturing processes, etc.)

###### Customers

Given the quality of the **Infotel** Group's corporate customers and the history of its relationship with its customers, there is little appreciable customer risk: **Infotel** works with the IT departments of major French and international groups, often customers that date back more than 30 years, for whom IT is a strategic tool and who sub-contract to sustainable companies only.

Business clientele is broken down by economic sector in the paragraph "Distribution of Infotel's Activities" on page 39 of this document.

The Services revenue of the **Infotel** Group is made up of cost-plus services and fixed-price services. The breakdown of the revenue between these methods of service provision over the past three fiscal years is shown here:

| (as a percentage)                     | 2022 | 2021 | 2020 |
|---------------------------------------|------|------|------|
| Cost-plus services                    | 36.2 | 31.7 | 37.1 |
| Fixed-rate services and service desks | 63.8 | 68.3 | 62.9 |

In the fiscal year ended December 31, 2022, the risks related to dependency on customers were the same as those encountered last year. **Infotel's** largest customer accounted for 16.7% of consolidated revenue vs. 13.8% for the previous fiscal year. The second largest customer accounted for 11.2% of revenue vs. 10.9% in 2021. As for the five largest customers, they accounted for a total of 50.5% of consolidated revenue vs. 47.8% for the previous fiscal year. The majority of services provided for these customers are performed by service desks, subject to multi-year contracts.

###### Suppliers

There are no risks linked to suppliers that would have an impact on the execution of the financial or technical business activities of the **Infotel** Group. The Group's Quality charter, drawn up for its ISO 9001 certification, states its motto: "*Searching for excellence in what we do well, and doing what we do well*". **Infotel** has always aimed to take responsibility for its technical choices, and relies only on its management skills and those of its internal teams, and never on external suppliers.

### **Dependence on Key Personnel**

The Company is dependent on its Senior Managers, whose departure could impact its outlook. However, it is progressively implementing a middle management structure aimed at taking up Senior Management positions in the Company in the long term.

### **Sub-Contracting**

Sub-contracting represented 43.7% of revenue in 2022 (41.4% in 2021). The risk of reliance on sub-contractors is low given their high level of segmentation.

### **Fixed-Price Services**

The services carried out by the Company are invoiced on a fixed-price or cost-plus basis.

For fixed-price invoicing, as the price is negotiated in advance with the customer, there is a risk of under-valuing costs, difficulties linked to the project and additional requests from the customer.

To manage this risk, the Group has implemented a managerial policy aimed at training and supporting its project managers in estimating costs and managing customers during the contractual period (ISO).

### **3.1.2. Technological Risk**

The main technological risk faced by **Infotel** concerns changes in technological data on the market that could impact the Group's position in both of its business sectors.

It should be noted that the Group is specialized in management IT sectors related to digitalization and using very large databases. Experts do not foresee their rapid disappearance in terms of a significant market. The Group has demonstrated that it can take on board other technologies adopted by its customers, while remaining their principal supplier and also winning new customers.

### **3.1.3. Fall in Prices**

The Group may be subject to price pressure.

It must nonetheless be noted that the Group, in the past, has succeeded in avoiding this type of risk and that the type and quality of its services—with high added value and targeted to the vital IT activity of large companies to ensure their growth—is an important factor in reducing the impact of this risk.

### **3.1.4. Emergence of New Competitors**

The Group may have to face the appearance of new competitors in a sector undergoing continual technological change. It should nonetheless be noted that:

- Its software publishing activity addresses a niche market occupied by companies that have acquired past specialization in z/OS and Db2; it has succeeded in renewing and expanding its range to regain market share from its competitors;
- The Group succeeded in the past in coping with the consequences of the frequent arrival of new competitors in its service provision activity, and is now a major player.

### **3.1.5. Difficulty in Managing Growth**

**Infotel** predicts growth in the coming years, especially in exports.

Difficulties linked to this growth are likely to arise in the sales, technical and administrative sectors.

In the past, **Infotel** has successfully addressed this type of difficulty. It should be noted that international expansion takes place in conjunction with the growth of major customers.

## **3.2. INSURANCE – RISK COVERAGE**

Insurance subscribed to by the **Infotel** Group with a view to covering any risks to which the issuer might be exposed concerns:

- Civil liability;
- All property, plant and equipment;

- Rented premises;
- Pensions;
- Senior managers.

All of these contracts were taken out with well-known insurance companies, in consultation and with the expertise of the broker in charge of the **Infotel** Group account.

The table below sets out the level of coverage of the main potential risks as of December 31, 2022 as well as the amount of premiums paid in 2022.

| Risks   | Level of coverage (€k) | Premium amount 2022 (€k) |
|---|------------------------|--------------------------|
| General civil liability                         | 10,000                 | 61                       |
| Pensions  | 0                      | 0                        |
| Tangible and intangible damages (all-inclusive) | 4,000                  | 26                       |

All risks are reassessed every year by the Executive Management and each contract is updated according to inventories or revenue or other elements affecting the contracts.

Operating loss is not guaranteed, as an accident on its premises would result in almost no operating disturbance. All critical data, such as software sources in particular, is subject to regular backups located in different physical venues and stored in fireproof cabinets.

There are no risks insured internally.

### 3.3. **MARKET RISK**

#### 3.3.1. **Foreign Currency Exposure**

| In thousands of USD | Amount |
|---------------------|--------|
| Assets              | 2,155  |
| Liabilities         | 1,210  |
| Net balance         | 945    |

| In thousands of GBP | Amount |
|---------------------|--------|
| Assets              | 3,829  |
| Liabilities         | 2,028  |
| Net balance         | 1,801  |

| In thousands of Indian Rupees | Amount  |
|-------------------------------|---------|
| Assets                        | 106,678 |
| Liabilities                   | 95,673  |
| Net balance                   | 11,005  |

The net balance before management corresponds to the difference between foreign currency assets and liabilities.

The parent company assumes the currency risk on intra-group billing and IBM royalties. It has not taken steps to cover this risk until now.

Foreign **Infotel** subsidiaries invoice their services in local currency. They also bear commercial costs in local currency.

The share of **Infotel** Group's 2022 revenue that may be affected by a fluctuation in the US dollar is €5,683k, or 1.9% of revenue (vs. €4,416k in 2021, or 1.7% of total revenue). Revenue generated in sterling represented 1.9% of revenue for 2022, or €5,841k (vs. 1.4% of revenue, or €3,721k, in 2021). Revenue generated in Indian rupees totaled €215k.

A rise or fall of 10% in the US dollar would impact net financial income by plus or minus €4k.

A rise or fall of 10% in sterling would impact net financial income by plus or minus €46k.

A rise or fall of 10% in the rupee would impact net financial income by plus or minus €6k.

### **3.3.2. Interest Rate Risk**

At this time, the Group has no significant financial debt, and does not hold financial assets other than cash mutual funds. Interest rate risk is therefore marginal.

The Company and the Group do not use financial instruments to address interest rate risk.

### **3.3.3. Liquidity Risk**

Infotel has carried out a specific review of its liquidity risk, which it considers to be nil due to its low debt level and its excess cash resources. As a result, it considers itself able to deal with future obligations.

### **3.3.4. Equity Risk**

The management policy for the Group's funds is extremely prudent: it consists of placing liquid assets into mutual funds and fixed term deposits, so that these sums attract payment and remain readily available. The exposure of the Company to equity risk is confined to money market mutual funds and treasury stock. The Company does not bear equity risks in unconsolidated entities because it does not invest in equity.

The portfolio of marketable securities and treasury stock, as it appears in the consolidated accounts of the **Infotel** Group, is broken down as follows:

- Treasury stock: €179k
- Term accounts: €45,000k

No provisions are allocated to these assets.

### **3.3.5. Country Risk**

As the activity of the Group is essentially carried out in Western Europe and the United States, country risk is considered marginal.

## **3.4. LEGAL RISK**

The legal risks management policy consists of allocating sums to certain disputes, up to the estimated risk amount for the Group. Provisions for disputes amounted to €229k.

The details of disputes are described in the notes to the consolidated accounts in section "Note 11 – Provisions for risks and charges" on page 127.

### **3.4.1. Specific Legislation**

Infotel's activity is not contingent upon legal, legislative or administrative authorizations or approval procedures.

### **3.4.2. Confidentiality**

Almost all documents given to the Company by its customers are subject to confidentiality agreements. The risk exists of disclosure of confidential information by the Company concerning the projects of a corporate customer.

The Company has, however, established ethical standards that apply to its personnel, with a view to avoiding this risk.

### **3.4.3. Reliance on Intellectual Property Rights**

It should be noted that computer programs developed by **Infotel** are not patentable inventions.

At this time, the Group has not commenced, nor is it a party to, any litigation in this domain.

**Infotel** does not rely on software emanating from third parties; the sale of software, whether direct or indirect, concerns mainly software developed by **Infotel**, which does not lead to the payment of license fees.

### **3.4.4. Non-Compliance with Performance Obligations**

The Group could face a risk of not meeting its performance obligations for its fixed-price contracts. It should be noted, however, that if this risk cannot be avoided, the Group has prior experience in managing this risk.

### **3.4.5. Exceptional Events and Disputes**

The Company has no knowledge of any exceptional events or disputes that could have or have had, in the recent past, a significant impact on the activity, assets or financial position of **Infotel**.

### **3.4.6. Assets Used as Collateral**

None of the assets of the **Infotel** Group are used as collateral security.

## **3.5. INDUSTRIAL AND ENVIRONMENTAL RISK**

**Infotel** performs an intellectual activity that is non-polluting. The Company has implemented a selective waste-collection system (mainly for printer ink cartridges and the collection of obsolete IT equipment) and makes all its personnel aware, from the time of their recruitment, of environmental values.

Even though the provision of Group services has little impact on the environment, **Infotel** nevertheless endeavors to limit the impact of its activity on the environment through the measures described in the "Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information" on page 21 of this document.

In particular, the **Infotel** Group has been ISO 14001 certified since July 29, 2011.

In the absence of any direct environmental and/or industrial risk, the Group's companies have not made any provision nor entered into any guarantee for pollution risk.

## **3.6. HEALTH RISK**

To deal with the health crisis caused by the Covid-19 pandemic at the beginning of 2020, **Infotel** was obliged to adapt its organization, in particular through massive use of teleworking, which the Group has continued to include in its practices.

## **3.7. INTERNAL CONTROLS**

### **3.7.1. Definition and Goals of Internal Controls**

Internal control procedures in effect at **Infotel** are designed to:

- Ensure that management procedures and operation execution, as well as the conduct of personnel, are in keeping with the corporate framework of Company activities, as defined by the Executive Management, by

applicable laws and regulations and in keeping with the values, standards and internal rules of the Company;

- Ensure that the accounting, financial and management information communicated to Management accurately reflect the Company's operations and financial position;
- Monitor the effectiveness of the internal processes of the Company, especially those relating to preserving assets.

One objective of the internal control system is to prevent risks arising from company activities and risks of error or fraud, especially in the areas of accounting and finance.

As with all control systems, it cannot provide an absolute guarantee that these risks will be totally eradicated.

These objectives are compatible with the definition given by the COSO (Committee of Sponsoring Organizations of the Treadway Commission). The COSO has defined internal control as a process implemented by the Corporate and Executive Management bodies of a company to obtain a reasonable assurance of achieving efficient and smooth operations and reliable financial reporting, in compliance with applicable laws and regulations.

### **3.7.2. Overall Organization of Internal Control Procedures**

**Infotel** is the parent company of the group founded in 1979.

On December 31, 2022, the Group was made up of its French subsidiaries, Infotel Conseil and OAIO, owned 100% and 65% respectively by **Infotel**. Infotel Conseil wholly owns Coach'IS, a company that wholly owns Collaboratif Portail Services.

The **Infotel** Group is also present internationally through its foreign subsidiaries in the United States, the United Kingdom, Germany and Monaco: Infotel Corporation, Insoft Infotel Software GmbH and Infotel Monaco, which are wholly owned, and the UK subsidiary, Infotel UK Consulting Ltd, is 51%-owned.

**Infotel** has also established a presence in India to strengthen its international projects. Since August 19, 2022, Infotel UK Consulting Ltd has owned 99.9% of the Indian company Smurk IT India Private Ltd.

#### **Internal Control Bodies**

The Board of Directors is responsible for the Company policy for evaluating risks, implementing appropriate internal control and monitoring its effectiveness. This policy corresponds to legal and financial management controls and procedures.

As part of its Audit Committee responsibilities, the Board of Directors is responsible for preparing financial information, monitoring the effectiveness of internal control and risk management processes, monitoring the legal control of the annual and consolidated accounts by the auditors and monitoring the independence of the auditors.

**Infotel's** operating subsidiaries are wholly owned (except OAIO, which is 65%-owned, and Infotel UK Consulting Ltd., which is 51%-owned), and the Group's internal control is carried out laterally across all entities.

**Infotel** is centrally organized. As a result, the subsidiaries are managed by the **Infotel** Chief Executive Officer or the Executive Officers who perform most operational control activities.

#### **Management of Major Risks**

The risk management policy consists of anticipating significant impacts of business activity on the assets and revenue of the Company. In the **Infotel** Group, these preventive actions are the responsibility of the Executive Management. A detailed study of the risk factors affecting **Infotel** was drawn up in **Infotel's** 2022 Universal Registration Document. Below is a summary of the main risk factors studied by **Infotel**.

##### *Market Risks (Liquidity, Interest Rate, Currency, Equity risks)*

#### **Interest Rate Risk**

Exposure to interest rate risk is detailed in paragraph 3.3.2 of this Universal Registration Document.

#### **Foreign Exchange Risk**

Exposure to foreign exchange risk is detailed in paragraph 3.3.1 of this Universal Registration Document.

**Liquidity Risk**

Exposure to liquidity risk is detailed in paragraph 3.3.3 of this Universal Registration Document.

**Equity Risk**

Exposure to equity risk is detailed in paragraph 3.3.4 of this Universal Registration Document.

**Customers**

Exposure to customer risk is detailed in paragraph 3.1.1 of this Universal Registration Document.

**Suppliers**

Exposure to supplier risk is detailed in paragraph 3.1.1 of this Universal Registration Document.

**Dependence on Key Personnel**

Exposure to reliance risk is detailed in paragraph 3.1.1 of this Universal Registration Document.

**Technological Risk**

Exposure to technological risk is detailed in paragraph 3.1.2 of this Universal Registration Document.

**Fall in Prices**

Exposure to the risk of lower prices is detailed in paragraph 3.1.3 of this Universal Registration Document.

**Emergence of New Competitors**

Exposure to the risk of arrival of new competitors is detailed in paragraph 3.1.4 of this Universal Registration Document.

**Growth Management**

Exposure to growth management risk is detailed in paragraph 3.1.5 of this Universal Registration Document.

**Legal Risk**

Exposure to all legal risks is detailed in paragraph 3.4 of this Universal Registration Document.

**Specific Legislation**

Exposure to specific regulation risks is detailed in paragraph 3.4.1 of this Universal Registration Document.

**Confidentiality**

Exposure to confidentiality risk is detailed in paragraph 3.4.2 of this Universal Registration Document.

**Reliance on Intellectual Property Rights**

Exposure to reliance risk with respect to intellectual property rights is detailed in paragraph 3.4.3 of this Universal Registration Document.

**Non-Compliance with Performance Obligations**

Exposure to non-compliance with performance obligation risk is detailed in paragraph 3.4.4 of this Universal Registration Document.



## Exceptional Events and Disputes

Exposure to exceptional events and dispute risk is detailed in paragraph 3.4.5 of this Universal Registration Document.

## Assets Used as Collateral

None of the fixed assets of the **Infotel** Group are used as collateral security.

## Industrial and Environmental Risk

**Infotel** performs an intellectual activity that is non-polluting. The Group has implemented a selective waste-collection system (mainly for used printer ink cartridges and batteries) and makes all its personnel aware, from the time of their recruitment, of environmental values.

In the absence of any direct environmental and/or industrial risk, the Group's companies have not made any provision nor entered into any guarantee for pollution risk. Given the nature of the business of the Company and its subsidiaries, an appropriate environmental policy has been implemented.

## Climate Risk

In compliance with Article 173 of the French Energy Transition law, as of the fiscal year 2016, **Infotel** is required to disclose financial risks linked to climate change and measures taken by the company to reduce them by implementing a low-carbon strategy in all areas of its activity.

## Taking Climate Risk into Account

Given the location of its facilities, mainly in Europe, the **Infotel** Group has low exposure to the risks linked to climate change, with respect to both its operation and in the performance of its activities.

Certain extreme climate phenomena are nonetheless likely to impact **Infotel's** premises in Europe (e.g. storms, heat waves, overflowing of the Seine, etc.).

## Low Carbon Strategy

The Group's low-carbon strategy contributes to the fight against global warming.

**Infotel** is committed to minimizing the adverse impacts of its activities on the environment, in particular through a policy of limiting its CO<sub>2</sub> emissions. The Group's greenhouse emissions are essentially linked to **Infotel** employee travel. They are low due to employees mainly using public transportation systems for traveling to and from their place of work. In addition, most employee vehicles do not belong to the Group. The impact of business travel is thus, for the most part, indirect.

The Group has a fleet of vehicles that includes 29 cars and 3 motorcycles. **Infotel** considers the best possible fuel solution for each new vehicle contract (electric, hybrid, internal combustion). Emissions are very low due to the small size of the fleet. The Group has also implemented a video conferencing system to limit business travel.

The carbon footprint of the Group is, for the most part, due to the electricity consumption of its facilities (Scope 2) and, in particular, its IT equipment.

The **Infotel** Group conducted an assessment of greenhouse gas emissions (BEGES), performed by a specialist external body, the CITEPA, on 2019 data. The assessment was filed with the French environment agency, ADEME, in 2021.

The quantity of Scope 3 CO<sub>2</sub> emissions was 194 metric tons in 2019. After a sharp decline during the health crisis, business travel accounted for 129 metric tons of CO<sub>2</sub> emissions in 2022. To limit business travel, the **Infotel** Group has implemented digital communication tools and a teleworking charter.

## Quality

**Infotel** has published a Group Quality Charter, which is the foundation for its commitments to its customers.

In 2022, Infotel Conseil confirmed its ISO 9001:2015 certification for its software design, creation, maintenance, and support activities, with performance obligations, for the Paris (Neuilly-sur-Seine, Paris Montreuil and Nanterre), Toulouse (Blagnac and Balma), Bordeaux (Pessac), Lyon, Rennes, Nantes (Saint-Herblain), Le Mans, Brest, Niort, Aix-en-Provence, Nice (Sophia-Antipolis), and Lille (Lezennes) sites.

Our certification number: 1998/10031.13.

In 2022, Infotel Conseil renewed its EN 9100:2018 certification for the software design, development, maintenance, and support activities, with performance obligations, for the Toulouse (Blagnac) site.  
Our certification number: 2019/80411.2

In 2022, Infotel Conseil confirmed its ISO 14001:2015 certification for its software creation, maintenance, and support activities, with performance obligations, for the Paris (Neuilly-sur-Seine, Paris Montreuil and Nanterre), Toulouse (Blagnac and Balma), Bordeaux (Pessac), Lyon, Rennes, Nantes (Saint-Herblain), Le Mans, Brest, Niort, Aix-en-Provence, Nice (Sophia-Antipolis), and Lille (Lezennes) sites.  
Our certification number: 2001/40997.5.

In 2022, Infotel Conseil confirmed its ISO 27001:2017 Information Security Management System certification for its software design, creation, maintenance and support activities, with performance obligations, for Infotel Infrastructure for the Rennes, Paris, Nanterre, Toulouse (Blagnac and Balma) and Newcastle (UK) sites.  
Our certification number: 2017/77710.5.

The **Infotel** policy relating to the environment is described in section 3.8.1 “General Environmental Policy” on page 21 of this document.

## **Organization of the Executive Authority**

Major operations requiring the approval of the Executive Committee or Executive Management are as follows:

- Written offers relating to actions that carry a major risk are subject to the opinion of the Executive Committee;
- Important decisions concerning research and development;
- Actions affecting the IT system of the Group.

The integration of subsidiaries, on both the legal and operational levels, is described above. Subsidiaries are managed by the Executive Management.

## **Description of Internal Control Procedures**

The internal control procedures are described below.

**Infotel's** operating subsidiaries are wholly owned (except OAIO, which is 65%-owned, and Infotel UK Consulting Ltd., which is 51%-owned), and the Group's internal control is carried out laterally across all entities.

The Indian subsidiary Smurk IT India is 99.9% owned by Infotel UK Consulting Ltd.

Moreover, Infotel Conseil wholly owns Coach'IS, a company that wholly owns Collaboratif Portail Services.

The Group is thus divided over a number of divisions, each of which provides their own level of specific controls.

An Executive Committee, under the authority of the Chairman and including the managers and regional division heads, is responsible for the operational management of the Group. It meets weekly.

### *1) Executive Management*

The Executive Management of the Group is responsible for defining strategy, overall policy, objectives and action plans. It also directs organizational functions and special assignments not covered by the operational departments.

A number of meetings take place periodically to review the major objectives of the Group, the medium and long-term strategy and the values on which the Group relies to meet these objectives.

### *2) Operational Management*

The operational department is responsible for designing, marketing and ensuring profitability for all fixed-price (service desks) and cost-plus based services, technical support and training adapted to customers' needs according

to their geographical locations, and for the design, development, maintenance and technical support of the Software.

Two Executive Officers are responsible for this department.

### *3) Financial Department*

The Financial Department is responsible, for the Group as a whole, for managing the cash resources, supervising the accounting management and producing the necessary information for management control, especially financial performance indicators and margin calculations.

It also coordinates financial communication and takes part in meetings along with the Executive Management in information meetings with financial analysts on the publication of bi-annual and annual reports.

This department is headed by an Executive Officer.

### *4) HR Department*

The HR department is responsible for all the employees of the Group. Its duty is to define the standards and regulations, administer personnel, manage HR relations, participate in recruitment procedures and career decisions, set salaries, monitor the consistency of the pay policy and manage relations with bodies representing employees. This department reports to operational management under the leadership of an Executive Officer.

### *5) Communications*

Executive Management is responsible for communications.

## **3.7.3. Internal Controls Relating to Financial and Accounting Information**

As at the operational level, **Infotel's** financial information is centralized.

### *1) Managing cash resources and delegating signing authority*

Expenditure in the French companies of the Group may only be instituted by or with the consent of the Chief Executive Officer or Executive Officers of **Infotel**.

For its foreign subsidiaries, only operational expenditure for a limited amount can be undertaken by the local managers. Customer payments take place exclusively via bank transfer to accounts dedicated to payments. Only the Chief Executive Officer or the Executive Officers are authorized to perform expenditures of funds from those accounts.

### *2) Preparing the annual accounts*

The accounts of all the Group's entities are held or monitored by chartered accountant firms, under the control of **Infotel's** Executive Management.

These firms also prepare the annual accounts.

The chartered accountant of the parent company holds the office of accounting manager for the Group.

### *3) Preparing the consolidated financial statements*

The chartered accountant firm of the parent company prepares the bi-annual and annual consolidated financial reports under the control of **Infotel's** Executive Management.

The Executive Management also performs a follow-up of off-balance sheet items and assets.

**Improving Internal Control Procedures**

**Infotel** operates in a context of ongoing improvement of its internal control procedures.

The financial control system (budget/reporting), in place for a number of years, is operational. The tools on which it is based appear to be suitable to our needs but must be adapted in the event of the Group growing significantly.

Executive Management ensures the proper application of rules. Depending on how the company size evolves, **Infotel** will strengthen, in a pragmatic fashion, this function (strengthened management control, fine-tuning of the organization and systems).

**Infotel** will periodically audit its risk management procedures, either internally or externally, and formalize regular action plans for improvement.

**Compliance With the Laws and Regulations in Effect**

The **Infotel** organization is also centralized within the framework of compliance procedures with laws and regulations in effect, which fall under the authority of the Executive Management and the Executive Officers.

It is specified that in the preparation, implementation and description of its internal control and risk management system, the Company relies on a “*Reference Framework for Internal Control: Implementation Guide for Small Caps and Midcaps*” offered by the AMF and that the use of this guide did not lead to the identification of failures or inadequacies in the internal control system implemented in the **Infotel** Group.

### **3.8. REPORT ON CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR) - ENVIRONMENTAL INFORMATION**

Pursuant to the provisions of Article L.22-10-36 paragraph 5 of the French Commercial Code, the stipulations relating to the way in which the **Infotel** Group takes into account the environmental consequences of its activity are described below.

**Infotel's** commitment to promoting sustainable development is also described.

#### **3.8.1. General Environmental Policy**

##### **How the Company Takes Environmental Issues Into Account**

**Infotel** is aware of the impact of its activities on the environment and sustainable development. In this way, the Group endeavors to reduce the negative impact in the sectors that concern it, comply with environmental legislation and standards, and improve in an ongoing manner the environmental performance of its activities.

The **Infotel** Group's concern for the environment has been formalized in a structured approach, which culminated in ISO 14001 certification on July 29, 2011 and its renewal on August 8, 2020, confirmed in 2022.

To strengthen its commitment to ISO 14001, **Infotel** established a digital sustainability plan in late 2020. This commitment will deliver opportunities and progress for the Group.

As part of this project, **Infotel** signed the Syntec Digital **Planet Tech Care** manifesto in December 2020. A Head of Digital Sustainability has been appointed to lead the project.

**Infotel** signed the **Sustainable IT Label** charter on April 16, 2021.

Following the certification audit, the Sustainable IT Labelling Committee awarded **Infotel** level 2 certification on March 25, 2022.

The Sustainable IT Label covers the following topics: implementation of sustainable IT policies, a responsible procurement policy, hardware life-cycle analysis, ecodesign and internal training in sustainable IT.

In 2022, Infotel Conseil was assessed by **EcoVadis** and was awarded the silver medal, with a score of 60/100. This assessment is based on environmental, social, ethical and issues and responsible procurement.

Another ESG assessment was performed in 2020 by Ethifinance and **Infotel** scored 69/100 in the GAIA Index of corporate social responsibility.

##### **Commitments Towards a Circular Economy**

One of **Infotel's** main challenges is to reduce its environmental footprint in its service provision. The Group's environmental policy is based on actions such as providing training, implementing means for reducing energy consumption, and establishing a selective waste collection system, as described below.

Under its digital sustainability plan, **Infotel** is considering the implementation of an indicator showing the percentage of recyclable IT hardware.

##### **Employee Training and Information Initiatives for Environmental Protection**

On hiring, all employees are made aware of our environmental values. In addition to the company's welcome booklet that describes its values, guides are developed to raise the awareness of new employees: "Quality at **Infotel**", "Corporate and Environmental Responsibility Guide", "Recycling and Maintenance at Your Workplace". Within the framework of ISO 14001 certification, the Group asks each of its partners to adopt an eco-responsible approach and gives priority to relationships with suppliers with eco-labels.

## Resources for Preventing Environmental Risks and Pollution

Within the framework of ISO 14001 certification, the Group has implemented an Environmental Management System (EMS) inspired by the requirements of the standard, which is aimed at continuously improving its environmental performance.

The Group has implemented an environmental policy aimed at reducing its purchases and better managing its waste.

In terms of paper purchases, **Infotel** favors paper with PEFC, FSC and EU Ecolabel certification.

Regarding purchases of laptops, we have selected the EPEAT Gold label. Almost all laptop purchases met this EPEAT Gold criterion in 2022.

For electricity supply, 80% of **Infotel** sites in France and Monaco are powered by energy with a GO Certificate of Origin (European certificate) to ensure the traceability of green energy.

**Infotel** aims to have 100% coverage its sites in France by 2025.

## Amount of Provisions and Guarantees for Environmental Risks

In the absence of any environmental risks, the Group companies have not made any provision for pollution risk.

No environmental issues impact the use made by the issuer of its property, plant and equipment.

### 3.8.2. Pollution

#### Measures for Preventing, Reducing or Repairing Emissions in Air, Water and Soil that Seriously Impact the Environment

The activity of the companies in the **Infotel** Group does not represent a risk to the environment in a way that seriously impacts the air, water or soil, and is therefore not affected by any prevention or reduction measures to this effect.

However, in line with its digital sustainability plan, **Infotel** is aware of the indirect impact on the environment arising from its supplies of energy, paper and hardware.

### 3.8.3. Waste prevention and management

#### Measures for Preventing, Recycling and Eliminating Waste

The **Infotel** Group has set up a system for the selective sorting and recycling of waste. The main waste concerned is paper and cardboard and WEEE (waste electrical and electronic equipment).

The quantity of paper and cardboard generated by our activity in 2022 was 3.4 metric tons, compared to 3.1 metric tons in 2021.

In 2022, the quantity of WEEE totaled 1.2 metric tons, compared with 0.86 metric tons in 2021. In 2022, 224 kg of WEEE was transferred to the Ateliers du Bocage center for reuse.

In 2022, two sites, Orléans and Nantes, implemented waste sorting solutions.

The Monaco site was not included in these calculations for 2022 or previous years.

For waste management, in particular WEEE, we are committed to a solution where some of our waste is reused instead of being recycled.

#### Sound Pollution and any Other Type of Pollution Specific to an Activity

Within the framework of its activities, the Group does not emit noise pollution.

Generally speaking, the **Infotel** Group is not affected by any form of pollution specific to its activity.

## Measures for Food Waste Prevention

Initiatives against food waste have not been introduced, as the diversity of the facilities and their size prevented the installation of private company restaurants. Given the nature of **Infotel** activities, this topic is not deemed relevant. Similarly, **Infotel** is not concerned by the themes relating to combating food insecurity and commitments to respect animal welfare and responsible, fair and sustainable food.

### 3.8.4. Sustainable Use of Resources

The Group measures the energy consumption in its offices and service desks on a daily basis and analyzes opportunities for increased efficiency. All company departments are required to reduce their electrical consumption.

Each renovation or opening of new facilities must serve as an opportunity to plan for and adopt efficient technology systems for energy savings.

| Environmental information    | 2022   | 2021   | 2020  |
|------------------------------|--|--|---|
| Water consumption            | 5,313 m <sup>3</sup>                               | 4,852 m <sup>3</sup>                               | 4,852 m <sup>3</sup>                                |
| Electricity consumption      | 1264 MWh<br>(75.7 metric tons of CO <sub>2</sub> ) | 1272 MWh<br>(76.1 metric tons of CO <sub>2</sub> ) | 1,284 MWh<br>(76,9 metric tons of CO <sub>2</sub> ) |
| Consumption of raw materials | None   | None   | None  |
| Consumption of other energy  | None   | None   | None  |

To evaluate the CO<sub>2</sub> equivalent in electricity consumption, it was decided that 1 kWh = 0.0599 kilograms of CO<sub>2</sub> equivalent (energy mix in France in 2021, *source ADEME*).

Water consumption is calculated using a formula per m<sup>3</sup> and per year. Given the implementation of teleworking at **Infotel's** premises, it is reasonable to apply a 30% allowance.

Water is used for sanitary purposes only. It is not used to cool the server rooms.

Given the nature of **Infotel's** activities, the Use of Soil theme was not deemed relevant and is not discussed in this report.

This policy of sustainable use of resources was extended in 2022 with the implementation of an energy sobriety plan focused on controlling temperatures in the Group's premises, sustainable IT policies, environmentally-friendly gestures and the appointment of local officers.

### 3.8.5. Climate Change

At present, the significant greenhouse gas emissions arising from the company's activity, mainly through the use of the goods and services it produces, are generated by the electricity needed for the buildings the Group occupies, its server rooms and IT hardware, and by business travel.

Given the size of the vehicle fleet owned by the Group (29 cars and three motorcycles), most travel has an indirect impact (business travel).

The Group has made available collaborative platforms to limit business travel.

Greenhouse gas emissions linked to Group employee business travel are low due to the extensive use of public transportation systems from employees' homes to the customer site.

Scope 3 emissions were calculated by an external body, CITEPA (French Interprofessional Technical Center for Studies on Air Pollution) in 2020, based on 2019 data for air and rail travel.

The quantity of Scope 3 CO<sub>2</sub> emissions was 194 metric tons in 2019. After a sharp decline during the health crisis, business travel accounted for 129 metric tons of CO<sub>2</sub> emissions in 2022. To limit business travel, the **Infotel** Group has implemented digital communication tools and a teleworking charter.

In addition, the implementation of remote working, set out in the teleworking charter, further reduced business travel.

## Adapting to the Consequences of Climate Change

To adapt to the consequences of climate change, as a responsible digital services company, the **Infotel** Group must adopt a low-carbon strategy and limit its greenhouse gas emissions as much as possible. The implementation of sustainable IT raises the **Infotel** Group's awareness of climate-related issues.

### 3.8.6. Protecting Biodiversity

In line with its **Digital Sustainability** plan, **Infotel** is aware of the impact of its activity through its purchases of IT equipment, paper and energy in particular.

In order to best preserve rare mineral resources and protect flora and fauna, **Infotel** prioritizes items with the dual FSC ECOLABEL certification for its purchases of paper and the EPEAT Gold label for the purchase of laptops and servers. Its electricity comes from renewable sources.

In 2022, for its Paris site, **Infotel** used the services of the Ateliers du Bocage (<https://ateliers-du-bocage.fr/>), a cooperative with social and environmental utility, and a subsidiary of the charity Emmaüs. The cooperative sorted and reprocessed 224 kg of WEEE for reuse, out of 486 kg of obsolete or out of order WEEE.

## 3.9. REPORT (CSR) ON CORPORATE COMMITMENT TO SUSTAINABLE DEVELOPMENT

**Infotel** wants to contribute to the quality of life and the environment wherever the Group does business.

The Group places sustainable development at the heart of its strategy, and expresses this in its Quality Charter. The Group's policy is in line with a sustainable growth procedure that is based on the conviction that its long-term growth depends in part on the way in which **Infotel** accepts its responsibility in social and environmental areas.

### **Territorial, Economic and Social Impact of the Company's Activity**

With respect to employment and regional growth, **Infotel** is highly committed to the local economy via its facilities throughout France:

- In the Paris region, via its sites in Neuilly-sur-Seine, Paris and Nanterre;
- In the north-east of France, via its site in Lille;
- In the west of France, via service desks in Rennes, Nantes, Le Mans, Orléans, Niort, Brest and Bordeaux;
- In the south-west of France, via its service desks in Toulouse;
- In the south-east of France, via service desks in Lyon, Dijon, Aix-Marseille and Nice.

In its capacity as a French company, **Infotel** is pursuing a grassroots strategy to remain close to its customers and also to provide quality of life for its employees.

With respect to the territorial, economic and social impact on the local population, the Group has made regional growth part of its strategy, thus contributing to the territorial impact of its activities with respect to employment. **Infotel** is very involved in the local economy and generally applies a "nearshore" policy prioritizing national providers (or providers from nearby countries) over offshore solutions. The use of providers in other countries (Morocco and India) is justified by strong customer demand and the availability of IT specialists in these countries, who have become difficult to hire locally despite our best efforts.

**Infotel** has a dynamic youth employment policy: the Group hires many young graduates without previous work experience, who benefit from in-house training. **Infotel** participates regularly in forums held by schools and universities.

Infotel Conseil has set up a partnership with the "Elles Bougent" initiative, which encourages and advises young women on choosing scientific and technical studies, which are the most sought-after on the labor market, and seeking careers in technological and industrial sectors, which lack female talent. **Infotel** has 32 "Elles Bougent" mentors who take part in the following events: inviting young women to our premises, forums, races, in-school meetings with girls, and innovation challenges.

Also with a local approach, **Infotel** has adopted a proactive apprenticeship policy with a 135% increase in the number of apprentices between 2021 and 2022. This is rounded out at the local level by the payment of the apprenticeship tax to schools and universities and the Group's participation in academic forums.



## **Relations with Persons or Organizations Interested in the Company's Activity**

Given the nature of the Group's activity, **Infotel** does not undertake privileged relationships or sponsorship activities or partnerships with associations combating social exclusion, environmental defense, consumer protection or with local inhabitants.

**Infotel** is, however, particularly committed to training, and maintains close relationships with IT training establishments, and builds partnerships that lead to apprenticeships, internships and training programs.

In terms of governance, the Executive Management is responsible for implementing the Group's sustainable growth policy.

## **Sub-contracting and Suppliers**

**Infotel's** use of sub-contractors outside of France is marginal. It represents less than 0.5% of total sub-contracting.

No specific action was taken to consider CSR criteria in relationships with suppliers and sub-contractors, as the risk was limited given the Group's activities and geographical presence (Europe and USA).

## **Fair Practices**

As a BtoB player, **Infotel** is not affected by provisions dealing with the health and safety of consumers given its activities for the provision of IT services to companies.

**Infotel** encourages business ethics with anti-corruption and CSR policies (responsible purchasing).

The Group has implemented anti-discrimination and equal opportunity initiatives.

## **Other Initiatives Undertaken to Promote Human Rights**

Wherever it operates, **Infotel** conducts its development with regard to fundamental human and social rights while also respecting the environment.

None of the countries where **Infotel** operates breach human rights and fundamental freedom.

**Infotel** is committed to gender equality in the workplace.

In terms of equality, **Infotel** takes care to have an equal number of women and men on its teams. The law relating to equal representation of women and men on Boards of Directors already required representation of 40% of each gender on Boards of Directors (Law No. 2011-103 of January 27, 2011 called the "Copé-Zimmermann" law). Well before this date, **Infotel's** Board of Directors already had an equal number of female and male directors.

In accordance with Law No. 2019-486 of May 22, 2019 on business growth and transformation (the "PACTE law"), Dominique Mazurier was elected as a director representing employees on the Board in November 2020. As a result of this election, the Board is composed of two women and four men. However, the composition of the Board still respects the principles of gender equality in the boards of directors laid down by the Copé-Zimmermann law. Pursuant to Articles L.225-27, paragraph 2 and L.225-27-1, II, paragraph 2 of the French Commercial Code, the director representing employees is not included in the calculation of the proportion of men and women on the Board of Directors. This calculation is therefore made on the basis of two women and three men, or 40% women and 60% men.

On March 1, 2023, **Infotel** published on its website the results of the calculation of the gender equality index, resulting from law No. 2018-771 on the freedom to choose one's career passed on September 5, 2018 and Decree No. 2019-15 of January 8, 2019. For the 2022 reference period, **Infotel Conseil** obtained a score of 79/100.

**Infotel Conseil** has a very high score for the gender pay gap as well as in the breakdown of individual pay rises. Well before the creation of the gender equality index, **Infotel Conseil's** management always ensured fairness in this respect.

**Infotel Conseil** reaffirms its commitment to its female employees, in particular its desire to increase the number of women among the highest earners. As a reminder, women already hold several strategic and senior positions in

general management, the management of departments and branches, and project management; **Infotel** wishes to continue along this path.

To do this, it has set up a gender equality plan with four priorities: recruitment, promotion, compensation and the work-life balance for all of its employees.

Infotel Conseil has set a goal of achieving a national female staff rate of 25% of the overall workforce by 2025. Accordingly, the following concrete measures have been put in place:

- recruitment officers ensure that the external recruitment firms with which **Infotel** works offer an equal number of applications from men and women;
- Management recommends that, in teams where women are under-represented, when candidates have equivalent skills and qualifications, priority should be given to the female candidate, subject to an objective assessment taking into account the specific personal situations of all candidates;
- recruitment teams are trained and made aware of non-discrimination issues. A member of the HR department has also received in-depth training on this subject, and can therefore provide regular training to recruitment officers and be a point of contact on a daily basis;
- two sexual harassment and sexist behavior officers have been appointed;
- Infotel Conseil strives to promote the presence of female employees during presentations/training in universities or forums;
- in addition, Infotel Conseil has been a member of the “Elles Bougent” network since April 2021. This non-profit supports young girls in their career choices, but also holds various events to raise awareness of career opportunities in scientific and technical sectors among parents and teachers. To allow **Infotel's** commitment to this association to take shape, mentors can use two half-days of their working time each year to participate in “Elles Bougent” initiatives;
- an Infot'Elles community has also been created to continue making progress on this matter. This is reflected in various actions on gender equality in the workplace;
- **Infotel** has an internal and external communication and awareness policy on these topics;
- since 2021, the Head of Human Resources has been a member of the Management Committee and the Executive Committee.

Particular attention is paid to the working conditions of the entire Group's staff, as well as those of its sub-contractors. In the 2023 ESG (environment, social, governance) ranking of the most sustainable companies in France published by the magazine “Le Point” on November 17, 2022, **Infotel** came 60th in the national ranking and 5th in the IT and telecommunications sector.

## 4. INFORMATION ABOUT THE ISSUER

### 4.1. HISTORY AND GROWTH OF THE COMPANY

#### 4.1.1. Corporate Name and Trade Name of the Company

**Infotel**

#### 4.1.2. Address and Registration Number

RCS: Paris 317 480 135.

APE – NAF Code (French classification of activities): 5829A (software system and network publishing).

LEI: 9695008JULKH9KJQLP04

#### 4.1.3. Date and Term of Incorporation

**Infotel** was incorporated on December 31, 1979, for an initial term of 99 years, i.e. until December 30, 2078 unless it is dissolved early or extended by law.

#### 4.1.4. Headquarters, Legal Structure and Applicable Legislation

**Infotel**

Le Valmy 4/16 avenue Léon Gaumont

75020 Paris

Telephone: +33 (0)1 48 97 38 38

French public limited company with a Board of Directors governed by the French Commercial Code.

The company's legal documents may be consulted at the registered office above or on its website: [www.infotel.com](http://www.infotel.com) (the information contained on the website is not part of the prospectus, unless this information is incorporated by reference in the prospectus).

#### 4.1.5. History

##### 4.1.5.1. Creation of the Company: Database and Real-Time Experts (1979-1988)

The **Infotel** Group was created at the end of 1979 by a team of experts: Bernard Lafforet, a mathematics researcher at CNRS and a renowned specialist in solving complex programming problems requiring the construction of sophisticated algorithms; Michel Koutchouk, head of applications development with the IT Department at Air France; and Alain Hallereau, Project Manager at Cap Gemini. They were subsequently joined by Josyane Muller, who had been Branch Manager at Cap Gemini.

They foresaw that databases and real-time movement were to become the two main pillars in the IT growth of major software accounts and decided that **Infotel** would specialize in these areas by offering services, training and software packages.

The services activity of the Group started with a number of large companies and spread to a range of customers attracted by the highly professional reputation of its founders.

The first projects were carried out on a fixed-price basis for major customers, and the Group's expertise and research led to innovative achievements, such as the first electronic document processing of incoming physical mail for a large insurance company.

With the increase in sales of its first software packages, the **Infotel** Group was organized into a number of entities, encouraging the legal separation between software publishing and service activities.

With the success of its software (and in particular, Infopak, a database compression software package) with an international clientele, the Group decided to open a branch office in the United States and bolster **Infotel's** reputation with respect to its growth capacity and software research.

#### 4.1.5.2. Growth of the Company: Grassroots Software and Services for Relational Databases (1989-1998)

The services and training activity pursued its growth based on technologies used by major customers: **Infotel** became the specialist in relational databases with the appearance of DB2, and integrated customer techniques. Regional expansion started in 1989 with the opening of the Toulouse branch.

**Infotel** strengthened its investment policy in the services sector to meet a strong demand linked to the diversification of software technologies.

During this period, the Group also undertook the development and launching of new ranges of utility software for databases.

As of 1996, **Infotel** foresaw changes in large software systems, which would lead to the arrival of new technologies such as the Internet and Java.

The Group carried out its first external growth phase in 1998, and obtained its ISO 9001 certification the same year.

#### 4.1.5.3. Web-To-Database Expansion (1999-2008)

On January 21, 1999, with the introduction of the New Market section of the Paris Stock Exchange, **Infotel** entered the next phase in its development and obtained the means to finance its own new growth projects. The Group then accelerated its acquisition policy by taking over SI2 in December 1999 and Sporen and Innovaco Formation the following year.

In 1999, **Infotel** took a strategic position: Web-To-Database, the concept of a global technological service offering to meet the needs of growth and assist companies in expanding their information systems. The Group then expanded and strengthened its sales force, both in its Services activity where **Infotel** put forward the results of its technological watch, notably in Java, and in its Software activity. Here the technical talents of the teams were put to use in developing in-house software ranges and developing and adapting DB2 utilities sold by IBM, after a first agreement was signed in 1999.

The Group then multiplied its service provision skills: in Services, with new activities such as TPAM (Third-party Application Maintenance), decision-making and archiving, in the Software sector with the development of High Performance Unload for DB2 for Linux, UNIX and Windows for IBM, which easily and rapidly optimizes data unloading onto distributed environments.

The Group based its strategy on three fronts: remaining close to large customers, achieving the growth to constantly maintain the size required to reply to calls for tender, and maintaining the quality of services and their added value.

**Infotel** pursued its external growth strategy with the acquisition and subsequent integration, starting in 2006, of the Odaxys group, based in Rennes and Nantes, a major player in the IT software services in the Greater West area of France.

Regional expansion was pursued with the opening of local branch offices (Lyon, Bordeaux, Le Mans, Niort).

#### 4.1.5.4. The “Ambitions 2012” plan (2009-2012)

The growth has confirmed the accuracy of **Infotel’s** positioning: in Software, where IBM royalties reflect the efficiency of fast database unloading utilities created by **Infotel**; in Services, where the rise in service desks and TPAM, fixed-price services and service provisions combining software and services, especially based on archiving and Arcsys software, show that customers consider **Infotel** to be a key partner.

The aim of becoming a world-class player on an equal footing with the major players on the French IT scene has been attained. The quality of the **Infotel** Group’s services and software means it is recognized as a major player by its customers, often making Infotel the first choice as their supplier.

In an increasingly difficult economic environment, **Infotel** persevered in its growth strategy. The “Ambitions 2012” plan defined two strategic avenues for growth:

- Service desks, where the software applications of our customers are developed, maintained and tested. Located close to customers and operating on a fixed-price basis, they will be key to future growth;
- Electronic document processing software that is at the heart of customer concerns.

The goals of the plan have been reached, despite the slowdown in the economy. Over this time, growth has exceeded 50% (for an annual average growth of over 9.2%, higher than the market).

The Group’s scope has expanded in three directions:

- First, geographically: the acquisition of Addax at the start of 2010 established **Infotel’s** presence in the Nice region (Sophia Antipolis), in Aix-Marseille and Monaco, and the acquisition of Empeiria at the start of 2012 created a presence in the Lille region;
- Secondly, core business-wise: Participation in the successive creations of Harwell Management and Infotel Business Consulting expanded the services of the Group to include consulting and project management;

- Last but not least, with respect to software: Investment in creating Archive Data Software added a new distribution channel for our Arcsys software, and the acquisition at the end of June 2011 of the German software firm Insoft Software GmbH added new software to our service offering.

#### 4.1.5.5. The Performance 2016 Plan (2013-2016)

The **Infotel** Group continued its growth with the strategic “Performance 2016” plan, which is based on four main strategic directions:

- Pursuing a growth strategy with key accounts through the creation of service desks;
- Assisting the IT departments of key accounts in their path to mobility;
- Helping key accounts manage vast amounts of Big Data;
- Increasing its internationalization.

With this plan, **Infotel** aimed to grow and secure margins, with a revenue in the order of €200m with acquisitions. The increases in revenue and margins were achieved. **Infotel** made it known on September 14, 2016 that the goal of €200m in revenue would not be reached in 2016. However, **Infotel’s** performance, with revenue of €190.5m in 2016, €209.3m in 2017 and €231.7m in 2018 was very good as it took place without external growth.

#### 4.1.5.6. The 2021 Strategic Plan (2017-2021)

To drive its growth, in 2017 **Infotel** defined a new five-year growth plan.

This plan is based on three basic pillars:

- Innovation: since the creation of **Infotel**, innovation, whether technical, methodological or business-oriented, has always been a major part of the company’s identity. Infotel has always remained at the cutting edge, integrating technologies and methods that did not exist at the time of its creation;
- Ambition: remaining one of the leading partners for our customers ensures the Group’s growth and provides fulfilling careers for our employees;
- Continuity: as our results demonstrate, we have developed a winning model.

This plan aimed to:

- Outperform the market;
- Maintain a good level of operating profitability;
- Double the size of the company in five years by integrating acquisitions.

While **Infotel’s** development and profitability have been on track, the Covid-19 pandemic, pressure on resources, and the lack of relevant targets for external growth prevented the Group from achieving all the objectives set out in this strategic plan.

#### 4.1.5.7. The New 5-year Strategic Plan

To address the 2022-2026 period and accelerate the Group’s transformation, a new strategic plan through to 2026 has been drawn up.

It is based on a buoyant market dynamic:

- estimated at more than €30 billion in 2021, the IT services market is expected to grow by 4.7% in 2022 (Source: Numeum - December 2021 - Growth of the IT Services market);
- the value of services and employees is rising;
- demand is higher than supply, IT budgets are growing, and tariff increases are once again possible.

The new strategic plan is structured around four priorities:

- Priority 1: Outperform our benchmark market by exploiting our growth drivers:
  - strong market momentum, with the acceleration of the digital transformation in companies, the recovery of the aviation and industrial sectors, and the continued rebound in the tertiary sector;
  - real sales potential, with scope for expansion among existing customers, the ramp-up of new listings, the acquisition of new customers and sectors, and the strengthening of our positions through the consolidation of top-tier suppliers;
  - continued innovation with the implementation of complementary service offerings, the emergence of new software, the growth of digital consulting activities, and the integration of innovation in the management of customer applications.

- Priority 2: Increase the contribution of the Software business: our ambition is to double Software revenue by 2026, by drawing on five advantages:
  - the full effect of Orlando's market penetration (American Airlines listing, agreement with Airbus, etc.);
  - a large prospective customer portfolio to be transformed by Orlando;
  - growing sales momentum for Deepeo;
  - the intensification of marketing and sales at Arcsys;
  - new products under consideration, thanks to internal and external research.
- Priority 3: Implement a dynamic and attractive HR policy – HUMAN FIRST – designed to strengthen the recruitment plan and boost employee loyalty, with several points of action:
  - a career development plan with personalized support starting from the hiring stage (mentoring);
  - involving employees in innovation to encourage creativity;
  - intensifying internal communication (meetings, webinars, etc.);
  - accelerating training programs (e-learning);
  - partnerships with schools (work-study programs), backed by an integration plan.
- Priority 4: Accelerate national and international development using several levers:
  - organic growth (as in the United Kingdom and Monaco) to support the needs of our long-standing customers;
  - offshoring (which started with Morocco and India) to address human resources shortages;
  - acquisitions, to amplify development: we are looking for geographic expansion, sector diversification, or new technological or functional building blocks.

The plan targets growth of around 8% and operating profitability of more than 10%.

## 4.2. INVESTMENTS

The investment policy of the Group reconciles ambition and reason. Ambition, when it comes to developing the Group's services, especially in software, or when seizing opportunities for external growth. And Reason, because **Infotel**, always mindful of its profitability and independence, favors investments that offer a rapid return on capital investments.

### 4.2.1. Main Investments

Current investments of the Group are comprised of, for the most part, IT equipment, software, transport and office equipment, fixtures and fittings and facilities.

| (In €k)                           | 2022  | 2021 | 2020  |
|-----------------------------------|-------|------|-------|
| Fixtures and fittings, facilities | 635   | 247  | 816   |
| IT and office equipment           | 1,263 | 978  | 1,370 |
| Transport equipment               | 73    | 0    | 247   |
| Current fixed assets              | 0     | 135  |       |

These investments are amortized on a straight-line basis according to the following terms:

|                                |               |
|--------------------------------|---------------|
| Fixtures and fittings          | 4 to 10 years |
| Furniture and office equipment | 3 to 8 years  |
| IT equipment                   | 3 years       |
| Transport equipment            | 4 to 5 years  |

Current annual investment budgets represent, for the most part, the renewal of existing equipment and are in line with the growth of the Company.

Ongoing investments concern overall renewal of fixtures and fittings, facilities and IT and office equipment. These investments are self-financed, and no individual investment attracts any commentary.

Investments in research and development are described in section 5.9 on page 42.

#### **4.2.2. Main Ongoing Investments**

For fiscal year 2022, the Group pursued the renewal of its property, plant and equipment in line with the growth of its activities.

The Group's main investment comprises research and development, as described in section 5.9 "Research and Development, Patents and Licenses" on page 42.

## 5. OVERVIEW OF ACTIVITIES

Trends in revenue and earnings by operational sector are also provided in the notes to the consolidated accounts, section 18.2.6.9 “Segment Reporting” on page 133.

### 5.1. OVERVIEW

**Infotel** is both an IT service company and a software publisher:

- With its consulting, analysis, IT system audit and TPAM (Third-Party Application Maintenance) services, **Infotel's** service desks deliver fixed-price or cost-plus based services to design, develop, maintain and upgrade management projects incorporating the most advanced methods and techniques, from connected devices to large databases. With its personalized training, **Infotel** keeps IT engineers' skills up to date.
- During the fiscal year, the IT services activity generated revenue of €289,897k;
- **Infotel** has developed software to assist companies in such areas as operational support for large relational databases (security, performance, and management), archiving, data management and application quality and performance. A recent development is the move towards functional software, Orlando being the first component.
- During the fiscal year, the software publishing activity generated revenue of €10,522k.

### 5.2. Objectives and Strategy

The **Infotel** Group was successful in its growth over the last four decades because it remained true to its basic values, while adapting them to an ever-changing context.

The **Infotel** values are embodied in a number of concepts:

- **Excellence**: Being among the best in its practices, in its core businesses, alongside its customers, in the technologies the Group has chosen to focus on, such as Web technologies and databases;
- **Proximity**: Remaining close to its customers, attentive to their concerns in order to provide the best solution for their issues; staying close to employees, ensuring the best growth possible;
- **Respect**: Showing respect for its customers and employees, respect for rules, deadlines, commitments and the environment;
- **Agility**: Knowing how to evolve, understanding new technologies, improving our core business, procedures and management and continuously adapting while remaining true to our other values (excellence, proximity, respect).

#### 5.2.1. The Infotel Model

##### 5.2.1.1. Making IT a Powerful Tool...

**Infotel's** core business is to design, develop and maintain powerful and efficient IT systems, and market them within the context of service offerings and/or as autonomous software packages. **Infotel** builds IT applications for its users, above and beyond the compartmentalized notions of software publishers or digital service companies.

##### 5.2.1.2. ... For its Biggest Users...

All of **Infotel's** customers base their growth on highly performing IT systems. For them, IT is key. It is often their production tool (this is the case for banks, insurance companies, pension institutions). Their IT systems also contribute to their competitive advantage, as is the case for companies in the transport or aeronautic sectors. As it is not their core business, these companies look for specialists to manage their IT, particularly within service desks: **Infotel's** goal is to be a reliable and sustainable partner for these companies and administrations, from the design of program tools to development and maintenance.

##### 5.2.1.3. ... In the Interest of Growth

It is through the growth of its customers and their IT needs that **Infotel** achieves its own growth.



This growth is multi-dimensional:

- Vertical growth, with expertise in customer core businesses and constraints and its continuous application from high-level consultancy to development and maintenance;
- Horizontal and geographical growth: Everywhere its customers are found, in France, in all its national and international branch offices, irrespective of their economic sector;
- Technical and functional growth, open to new techniques and new core businesses to develop the skills to ensure tomorrow's growth.

#### 5.2.1.4. An Overview: The Quality Charter

To satisfy its customers' needs, **Infotel** undertakes to:

- Listen to their needs, and anticipate future requirements with ongoing R&D in leading-edge technologies;
- Manage their projects functionally and technically;
- Go beyond their expectations in terms of advice, deadlines and performance.

To satisfy its employees, **Infotel** undertakes to:

- Bring out their potential through basic and further training;
- Encourage development with ongoing coaching from management;
- Drive career advancement through rewarding tasks.

To respect its environment, **Infotel** undertakes to:

- Comply with regulations and internal guidelines;
- Continue its efforts to save resources;
- Encourage environmentally friendly behavior among its employees and sub-contractors.

In summary: ***“Searching for excellence in what we do well, and doing what we do well”***.

#### 5.2.2. Implementation of the 5-year Strategic Plan

The actions taken to achieve these goals will be discussed later on in this document.

##### 5.2.2.1. Service Desks

The context of the relationship between major contractors and service companies has changed; they are no longer looking for resources, but a total commitment. **Infotel**, which was at the forefront of this change, wants to base its growth on fixed-price services in service desks.

The service desk consists of taking complete charge of a company's IT developments and maintenance, along with specific commitments (service quality, prices, deadlines, etc.).

These last few years were witness to the spread of this operating mode which now makes up almost all of **Infotel's** service provision offering in its various forms:

- Fixed-price services consist of taking complete charge of application development, from design to implementation. These can be unitary fixed-price services, obtained following a response to a call for tender for a new customer, or fixed-price services for development within the service desk of an existing customer. In any case, it is the technical culture of teams who know how to assess loads and risks, and follow deadlines, as well as the expertise in developments and tests that constitute **Infotel's** competitive advantage;
- TPAM and TPSV:
  - TPAM (Third-party Application Maintenance) consists of sub-contracting all upgrades of one or more applications or sub-systems;
  - TPSV (Third-party Software Validation) consists of sub-contracting, for one or more applications or sub-systems, all test and acceptance operations, functionally, technically, for performance, etc.
- The location of service desks: The service desk is efficient if it is close, geographically and culturally, to the customer. **Infotel** continues to favor this proximity with its various locations, but does not rule out the use of offshore solutions – not for short-term gains in terms of labor costs, but to address the scarcity of specialist resources.

### 5.2.2.2. Mobility

The switch-over to mobility represents a major challenge in the digitalization of IT systems for major accounts. Having integrated users connected to the Web via PC-type computers, we must now offer services and applications for these new types of terminals that include smartphones and tablets.

A Hellosafe study cited by [www.servicesmobiles.fr](http://www.servicesmobiles.fr) shows that over the past few years, prices have been rising on the smartphone market, with the situation worsening since 2020 with the shortage of global microchips and electronic components. In 2021, smartphone vendors sold around 1.43 billion smartphones worldwide (about 48 phones per second!). In the fourth quarter of 2021, about 24% of all smartphones sold to end-users were Apple smartphones. According to Statista in October 2022, each of the top five best-selling smartphone models in France was an Apple iPhone. The basic model of the recent iPhone 14 leads the market with a 10% share, followed by the iPhone 14 Pro and Pro Max.

Smartphone purchase prices have never been higher in France. Whether new or refurbished, they cost more year after year. Figures show that the average purchase price of a new smartphone rose from €370 in 2017 to €487 in 2023, an increase of 31.6% in six years. The average purchase price of a refurbished smartphone rose from €260 in 2017 to €381 in 2023, an increase of 46.5%. Thus, in 2023, a new smartphone cost an average 28% more than a refurbished smartphone - with a difference of €106 between the two.

Since the release of the first iPhone in the early 2010s, smartphone sales have been growing at an exponential rate. Analysis of available data shows that smartphone sales in France increased by 3% between 2017 and 2022, from €7.69 billion to €7.92 billion, representing an additional €223 million in five years. In 2023, smartphone sales in France are expected to increase by 4%, with total sales possibly reaching €8.24 billion.

Mobile terminals will be an even greater driving force for growth in the coming years and **Infotel's** goal is to support key account IT departments in the switch to mobile communications. This requires technical and functional skills (capability to manage different platforms, operating with systems such as Android, and iOS), transforming all the applications on these platforms while remaining attentive to user demands.

**Infotel's** teams have already shown their skills (for example, by implementing iPad and Android banking applications) and are able to meet this new challenge. The creation of a digital subsidiary agency in 2018 to bring the OAIO company into existence, has further asserted a determination to focus on the techniques and methods expected by key accounts (digitalization, user experience, Scrum, agility, etc.), an approach which has resulted in winning new contracts.

### 5.2.2.3. Big Data

According to Statista, the total amount of data created, captured, copied and consumed around the world is expected to increase rapidly, reaching 64.2 zettabytes in 2020. Over the next five years to 2025, global data creation is expected to reach more than 180 zettabytes. In 2020, the amount of data created and replicated reached a new record. Growth was higher than expected due to increased demand due to the Covid-19 pandemic as more people were working and learning from home and using home entertainment solutions more often.

Only a small percentage of newly created data is retained, as only 2% of the data produced and consumed in 2020 were saved and retained until 2021. In line with strong data volume growth, installed storage capacity is expected to increase, at a compound annual growth rate of 19.2% over the 2020-2025 forecast period. In 2020, the installed storage capacity base reached 6.7 zettabytes.

Since its creation, **Infotel** has specialized in databases for large volumes, even before the term "Big Data" came into use. For this new plan, **Infotel's** hope is to help major accounts in managing Big Data, and it has the advantage of in-depth knowledge of complex databases.

This consideration of Big Data covers a number of dimensions:

- Continuing and extending its relationship with IBM in marketing powerful utility software aimed at large databases;
- Developing Infotel software ranges for archiving, database management, quality and performance;
- Developing tools and associated services, such as e-vaults and business intelligence;
- Researching and developing new algorithms and tools using artificial intelligence to create the software of tomorrow.

### 5.2.2.4. Internationalization

During the period covered by this plan, **Infotel's** goal is to increase the share of its business abroad by making the most of its global customers and software.

To achieve this objective, the Group will use a number of channels that:

- Cover the service needs of our customers abroad (such as, for example, Airbus, the European Patent Office, BNP Paribas, etc.);
- Expand the distribution of our software internationally, by using the skills of the Insoft Infotel Software GmbH subsidiary in Germany and its network of distributors, as well as those offered by our subsidiaries Infotel Corp in the USA and Infotel UK Consulting Ltd, in the UK;
- Develop references for our Arcsys software internationally, for example by extending the work done in Belgium and Luxembourg to Monaco, and growing the sales of our Orlando software with airline companies the world over.

### **5.3. SERVICES: CUSTOM SOLUTIONS FOR CUSTOMERS**

In this activity, **Infotel's** services consist of consulting, researching and carrying out the complex and innovative solutions integrating the most cutting-edge technologies.

**Infotel** has its own notion of service. To **Infotel**, service means:

- Becoming a privileged partner for companies wishing to upgrade their IT systems by offering them high-quality services based on our skills and the technical edge of our Group's teams;
- Anticipating on an ongoing basis the demands and needs of our customers by remaining on the leading edge of emerging technologies to assist our customers in taking these technologies on board and using them to their best advantage;
- Consolidating and strengthening the loyalty of our major customers (**Infotel's** first customers are today among our biggest customers) by continuing to remain attentive to their needs and to market developments;
- Positioning ourselves, with our service desks, as a player close to our customers and their concerns, their problems, their culture, their geographical facilities, and their teams.

#### **5.3.1. The Infotel Difference**

##### **Technical Skills**

The **Infotel** expertise covers all company IT system layers, from workstations to central servers:

- At the customer workstation level (front-end), with browsers, languages such as HTML, XML, JavaScript, Java, techniques such as Ajax and rich client solutions, and the integration of mobile devices (smartphones, tablets, etc.) and connected objects (watches, for example), smartphones and other mobile devices, as essential components for customer-facing IT systems;
- At the intermediate server level (middle-end), with expertise in middleware, network and firewall layers, operating systems such as Windows or Unix and variants such as Linux, application servers such as Tomcat, Java (JEE) and EJBs, etc.;
- At the central server level (back-end), with a recognized expertise in operating systems such as z/OS, real time monitors (CICS, IMS), relational database management systems (IMS, Db2, Oracle and Hadoop, etc.), languages and applications.

At **Infotel**, technical skills, whether they are well established or emerging, are at the heart of our core businesses.

##### **Expertise in all Our IT Service Activities**

**Infotel** covers the entire application lifecycle, from their initial design to their development and beyond deployment.

**Infotel** teams are present:

- During the analysis phase, at the level of architecture decisions, methodological choices, specifications and design;
- During the development phase, by taking partial or complete responsibility (on a fixed-price contract basis) for building applications and carrying out tests and third-party application acceptance;
- During operational functioning, ensuring application maintenance (in service desks with TPAM and TPSV activities), performance audits and optimization initiatives that make the most of investment.

For all phases in the application lifecycle, **Infotel's** experience is a guarantee of quality.

##### **Customer Proximity**

**Infotel** has facilities that cover the needs of its customers:

- Offices in the Paris area, in Paris, Neuilly-sur-Seine and Nanterre;
- Coverage in the south-west of France with its Toulouse agency;
- Offices in the west and in the center, including Rennes, Nantes, Le Mans, Niort, Bordeaux, Orléans and Brest;
- Offices in the south-east in Lyon, Dijon, Nice, Aix-Marseille;
- And in the north and east with Lille.

### **An Adapted Organization and Resources**

To best serve its customers, **Infotel** has human and equipment resources:

- The management team is made up of true professionals who have all worked in IT service;
- A R&D section whose goal is to maintain a technological watch on a permanent basis to guarantee technical excellence;
- Technical platforms with the hardware and software necessary to anticipate training needs for staff and project execution.

### **5.3.2. Some of the Infotel Group's World-Class References**

In its service activity, **Infotel** operates in four key markets:

- **Banking/Finance:** Banque de France, Groupe BNP Paribas, Groupe Banques Populaires / Caisse d'Épargne, Natixis, Groupe Crédit Agricole, CACIB, Groupe Crédit Mutuel, Société Générale, Fortuneo, La Banque Postale, Oney, ProCapital, Boursorama, HSBC, CACF (Sofinco), Virgin Money, etc.
- **Insurance/Pensions:** Allianz, AGIRC ARRCO, AG2R, APB, Aviva, AXA, Europ Assistance, GENERALI, Groupama GAN, GMF, Humanis, KLESIA, Lybernet, MAAF, MAIF, MACIF, Malakoff Médéric, MGEN, Covea, NOVALIS TAITBOUT, PRO BTP, SCOR, SMABTP, SMACL, Swiss Life, Systalians, Verspieren, etc.
- **Industry:** Airbus, Airbus Defence and Space, Airbus Helicopters, ATR, Safran, Stellantis group (Peugeot, Citroën, Opel, Fiat, etc.), Siemens, Total group, Fromageries Bel, LDC, Daunat, Coopagri, Roquette, Sanders, Nissan, etc.
- **Transport / Services / Telecommunications / Distribution / Administration:** Air France KLM, Bouygues Télécom, CGEA, EDF, Éducation Nationale (CINES, CNOUS, CROUS, Rectorats), EPO (European Patent Office), Euroclear, ERDF, ENGIE, ENEDIS, Gefco, Groupe Accor, Groupe Leclerc, La Poste, Lyra Networks, Nouvelles Frontières, Orange, Semvat, SNCF, Sysmedia, Yves Rocher, Système U, Groupe Barrière, Veritas, Ouest France, Isocel, Cdiscount, Vinci Autoroutes, Cegedim, Virgin Atlantic, etc.

## **5.4. SOFTWARE: LARGE IT SYSTEM TOOLS**

### **5.4.1. Designing and Marketing Leading Software**

Databases are a vital resource for companies. Efficient tools are needed to best manage databases and ensure operational optimization and sustainability.

Since its inception, **Infotel** has developed software improving the operation of large IT systems, such as Infopak, the leader in database compression.

This software is developed by **Infotel** teams based in its laboratories in Paris and Toulouse.

It is marketed in France and in French-speaking Europe by **Infotel's** sales teams, and in the rest of the world by distributors or by IBM for software subject to distribution agreements.

### **5.4.2. Software that Meets the Needs of Large IT Sites**

**Infotel** designs, develops, markets and maintains software, which is upgraded, added to and fine-tuned over time. The common area is big data management in all its dimensions.

**Infotel** software packages are divided into three product lines:

#### **Digital Archiving**

**Arcsys** software provides a global solution to all organizations wishing to implement a sustainable and secure archiving platform for their electronic data. Arcsys guarantees the retention of all information and provides search and restore functions for data years later.

#### **Intelligent Database Management**

**iDBA-Online** is an intelligent management solution for administration and maintenance operations for Db2 databases. The software optimizes practical tasks such as reorganizations and back-ups, according to business constraints and their impact on application costs. iDBA-Online incorporates artificial intelligence techniques that make it a genuinely intelligent database administrator.

#### **Quality Application Testing**

**Infoscope** brings the global solution to any organization wishing to implement a quality control approach to its application portfolio. Based on modular architecture, the platform covers the entire software quality control process from source code verification to functional testing.

The Infoscope range has been restructured to be consistent with the functionality of the **DB/IQ** range, the SQL access quality control software developed by our German subsidiary Insoft Infotel Software GmbH. Current concerns about energy consumption have led to the creation of a **Green Infoscope** version to help optimize energy-intensive software.

#### **Other Software**

In addition to these three lines, **Infotel** continues to support its older software (such as InfoPak, InfoVic, and InfoUtil). It also develops new software, marketed directly or through its subsidiaries or partners, and distributes software written by other partners (such as Zetaly, SQData, etc.) to complement its offering.

**Orlando**, new software developed by **Infotel**, has been designed to meet aircraft manufacturers' and airlines' needs to address their technical documentation problems. Currently in the commercial launch phase, Orlando has already gained some significant references, such as the aircraft manufacturer ATR, and companies such as Air France, Air Transat, Allegiant (the first license in the United States) and Spanish airlines Fly Level and Wamos Air. In 2020, despite the pandemic, new references were acquired, such as American Airlines, Flyadeal, Spirit Airlines and Emerald Airlines, followed in 2022 by other companies such as Air Canada, HOP, Binter, CMA-CGM, and Oman Air. The resumption of air traffic should lead to a significant rise in sales.

**Infotel** has also launched new data protection software called **Deepeo** (whose name is inspired by DPO: Data Protection Officer). Deepeo offers a unique feature that allows the anonymization or erasure of data once they have been classified and identified. It enables easy and centralized management and oversight of the personal data present in the information system, in compliance with the GDPR constraints required by the French data protection agency (CNIL), as well as offering compatibility and integration with major databases. Created in the UK, Deepeo has already been sold to two customers and prospecting is under way.

## Agreements with IBM

In March 1999, **Infotel** and IBM signed the first global commercial distribution agreement. It allows IBM to sell “DB2 High Performance Unload for z/OS” under its own name. This is software for fast unloading DB2 mainframe databases developed by **Infotel**. A new agreement was signed at the beginning of 2002 for a software package delivering fast unloading of multi-platform databases, now known as “InfoSphere Optim High Performance Unload for DB2 for Linux, UNIX and Windows”.

These agreements generate the payment of royalties which significantly contribute to the profitability of the Software activity.

### 5.4.3. Technical Support

**Infotel** provides technical support 24/7 for customer questions. On product purchase, a direct telephone number is made available to customers to put them in contact with the support service, for technical assistance in French or English, at any time.

## 5.5. MAJOR MARKETS

### 5.5.1. The Market for Software and Services in France

In a press release dated December 15, 2022, Numeum (formerly Syntec Numérique) described the French software and services market as follows:

#### ***[2022 report and outlook for the digital sector in 2023: +7.5% growth expected in 2022, and a promising outlook for the sector, which is looking for talented individuals***

*Numeum, the professional organization of the digital ecosystem in France, reveals the results of its second half-yearly conference of the year. In July 2022, growth in the digital sector for the current year was announced at +7.4%, but estimates have since been raised slightly, with growth now expected to reach +7.5% in 2022, and +5.9% in 2023.*

#### ***The outlook confirms the sector's positive momentum***

*In an unstable economic and geopolitical environment, the digital sector is holding up well in 2022. Numeum is slightly raising its growth forecast for the sector as a whole to +7.5% for 2022. All business lines are benefiting from higher revenue:*

- estimated 2022 growth for Publishers and Cloud Platforms: +11.3%
- estimated 2022 growth for Digital Service Companies: +5.1%
- estimated 2022 growth for Engineering and Technology Consulting firms: +7.4%

*(Source: PAC, Numeum).*

*The growth of the digital sector is largely driven by cloud computing (+24.5%) and its implementation in many companies. Growth is also supported by traditional drivers: big data, IoT services and digital transformation. Finally, investments in cybersecurity increased by 11.3% to €3.3 billion due to the resurgence of cyberattacks in recent years.*

*The size of the digital market is estimated at €60.9 billion in 2022: 35.5% of the market for software publishers and cloud platforms (revenue of €21.6 billion), 52.4% of the market for digital service companies (€31.9 billion in revenue), and 12.1% for engineering and technology consulting firms (€7.4 billion in revenue).*

*The rise in corporate IT budgets seems to be boosting growth in 2022. According to a survey of 100 CIOs conducted by PAC for Numeum, 48% of IT departments report an increase in their IT budget for 2022, with an increase of 10% compared to 2021.*

*For companies that are customers of digital service providers, the main IT objectives are, in order of priority: information system security (very important for 62% of CIOs), data analysis (49%) and improved customer experience (43%). There was also a sharp increase in the importance given by CIOs to teleworking (implementation, tools, etc.) and agile development. The consideration of CSR issues is almost always included in calls for tenders for suppliers (source: PAC survey for Numeum).*

#### ***A sector that is recruiting but facing a shortage of talent***

*The digital sector is still creating jobs, for the twelfth consecutive year. It employed a total of 572,126 people in 2021 (sources BIPE, Numeum and ACOSS data), with 34,000 net salaried job creations in 2021. This trend seems to be continuing: recruitment was up 66% and stable at 24% in the second half of 2022.*

However, companies are facing a talent war. This issue is not new but is intensifying, and is becoming a drag on growth. The sector is facing a shortage of talented people trained in all the skills needed to deploy the latest technological innovations and support the entire French economy with the digital transformation.

According to the French managers' employment association (APEC), private sector companies are primarily looking for management level IT development specialists (four out of ten vacancies). The industrial and technical IT and big data businesses posted the sharpest increase in terms of job offers in the first half of 2022 compared to the first half of 2021.

While compensation is the main reason for leaving a job, digital companies are using several means to try to retain their staff: hybrid work, training, career development, incentive plans, and retraining on the most promising and innovative subjects.

### **Five main growth drivers continue to boost French digital technology**

As established in the previous half-year, five major trends are continuing to drive the digital sector:

- Digital transformation (a €7.6 billion market with +10.2% growth in 2022): the customer experience, e-commerce, digitalization, etc.
- Cloud C&SI - consulting and systems integration (a €15.3 billion market with +24.5% growth in 2022): vertical clouds, global collaboration, the generalization of the container approach, app/infra modernization, and transformation, etc.
- Big data (a €2.3 billion market with +22.1% growth in 2022): data collection and use to upgrade business models, develop new services, etc.
- IoT (a €5.9 billion market with +19.1% growth in 2022): the development of new solutions with 5G and edge computing, etc.
- Security (a €3.3 billion market with +11.3% growth in 2022): with growth in investments and outsourcing to counter the increase in risks, attacks, etc.

The digital market has experienced a strong growth trajectory over the past 15 years and is still experiencing strong momentum this year, stimulated by organizations' digital transformation. However, digital companies are still facing a significant talent shortage. "Training must remain one of the priorities for 2023 in order to continue to focus on skills development and prepare for the future," explained Godefroy de Bentzmann and Pierre-Marie Lehucher, co-chairmen of Numeum.

### **Sustainable IT at the forefront**

Sustainable IT is a key driver for reconciling the environmental and digital transitions. According to the PAC survey carried out for Numeum between September 28 and November 14, nearly 80% of digital companies are implementing specific measures to limit their energy consumption this winter. More than half of these companies have decided to embed their efforts more deeply and sustainably by training their employees on climate issues and energy sobriety.

Among the new challenges facing the sector, CSR is a topic that players have taken on board very quickly. The survey reveals that 93% of IT departments require suppliers to demonstrate sustainable actions in their calls for tender (vs. 66% in 2020). Meanwhile, 76% of digital companies have responded to at least one call for tenders with CSR criteria. IT departments took on more and more sustainable IT projects in 2023: CIOs are taking on the environmental issues related to their activity: 28% of them have IT projects that support their company's "business line" CSR issues and 57% will implement such projects in 2023.

Finally, according to the Motherbase survey of employment in start-ups in France, there is a strong hiring trend in greentech and HRtech in French start-ups: 4,335 jobs were created in these two sectors from January to November 2022. This momentum in job creation is greater than in other sectors.

"Because there will be no digital transition without an ecological transition, the sector has a dual responsibility: to implement a sustainable trajectory based on the recognition of the sector's societal and environmental impact and to highlight the potential of digital technology to serve a more inclusive, ethical and environmentally friendly society. Understanding these issues is a prerequisite for ensuring that our country has a positive impact digital transition," said Véronique Torner, Vice-President in charge of Sustainable IT at Numeum.]

### **Infotel's Position**

Infotel came 30th in the Top 2022 ranking of French digital service companies and engineering and technology consulting firms (based on revenue achieved in France in 2022), published by i-Logiciels & Services in June 2022.

#### **5.5.2. Distribution of Infotel's Activities**

More detailed information on the breakdown of Infotel's activity is provided below:

### Breakdown by activity

| €k                      | 2022    |      | 2021    |      | 2020    |      |
|-------------------------|---------|------|---------|------|---------|------|
|                         | Amount  | %    | Amount  | %    | Amount  | %    |
| Services                | 289,896 | 96.5 | 254,971 | 96.8 | 226,874 | 96.4 |
| Software                | 10,522  | 3.5  | 8,471   | 3.2  | 8,361   | 3.6  |
| including IBM royalties | 5,024   |      | 3,893   |      | 4,453   |      |
| Total                   | 300,418 | 100  | 263,442 | 100  | 235,235 | 100  |

### Breakdown by geographical region

| €k                        | 2022    |      | 2021    |      | 2020    |      |
|---------------------------|---------|------|---------|------|---------|------|
|                           | Amount  | %    | Amount  | %    | Amount  | %    |
| France                    | 270,658 | 90.1 | 231,338 | 87.8 | 211,518 | 89.9 |
| Europe (excluding France) | 24,077  | 8.0  | 27,688  | 10.5 | 18,704  | 8.0  |
| United States             | 5,683   | 1.9  | 4,416   | 1.7  | 5,013   | 2.1  |
| Total                     | 300,418 | 100  | 263,442 | 100  | 235,235 | 100  |

### Service activity breakdown by economic sector

|                                       | %<br>revenue<br>2022 | %<br>revenue<br>2021 | %<br>revenue<br>2020 |
|---------------------------------------|----------------------|----------------------|----------------------|
| Banking, Finance                      | 40.9%                | 40.2%                | 36.1%                |
| Insurance/Pensions                    | 11.6%                | 13.1%                | 12.5%                |
| Industry                              | 27.0%                | 23.8%                | 28.2%                |
| Services/Transport/Telecommunications | 17.2%                | 19.7%                | 21.2%                |
| Administrations                       | 3.3%                 | 3.1%                 | 2.1%                 |

### Breakdown of the revenue of the ten largest customers of the Services activity

| Revenue per Customer (€k) | 2022   | %<br>revenue<br>2022 | 2021   | %<br>revenue<br>2021 | 2020   | %<br>revenue<br>2020 |
|---------------------------|--------|----------------------|--------|----------------------|--------|----------------------|
| Customer No. 1            | 50,077 | 16.7%                | 36,433 | 13.8%                | 35,364 | 15.0%                |
| Customer No. 2            | 33,621 | 11.2%                | 28,644 | 10.9%                | 27,836 | 11.8%                |
| Customer No. 3            | 25,485 | 8.5%                 | 23,048 | 8.7%                 | 23,217 | 9.9%                 |
| Customer No. 4            | 24,846 | 8.3%                 | 21,956 | 8.3%                 | 20,878 | 8.9%                 |
| Customer No. 5            | 17,642 | 5.9%                 | 15,912 | 6.0%                 | 13,659 | 5.8%                 |
| Customer No. 6            | 16,749 | 5.6%                 | 14,440 | 5.5%                 | 12,291 | 5.2%                 |
| Customer No. 7            | 14,649 | 4.9%                 | 13,899 | 5.3%                 | 8,424  | 3.6%                 |
| Customer No. 8            | 7,805  | 2.6%                 | 12,897 | 4.9%                 | 8,420  | 3.6%                 |
| Customer No. 9            | 5,618  | 1.9%                 | 6,691  | 2.5%                 | 5,893  | 2.5%                 |
| Customer No. 10           | 5,226  | 1.7%                 | 3,980  | 1.5%                 | 2,997  | 1.3%                 |

The difference in revenue by sector is described in section 18.2.6.9 “Segment Reporting” on page 133.

### Competition in Services

For its Service activities, **Infotel** encounters, according to contract type, a number of players:

- International players (such as Capgemini, Infosys, CGI, and Atos) for customers seeking suppliers that ensure them coverage that exceeds the territory; **Infotel** is able to address this competition by driving or participating in consortia that can offer its customers business and territorial coverage meeting their needs;
- National players representing the largest service companies such as Sopra-Steria, Inetum, etc.; **Infotel** is able to compete with these competitors in calls for tender, which it often wins due to the relevance of its responses and the quality of its solutions;
- Local or specialized players with specific skills in software, solutions, functional domains or particular customers.



**Infotel's** wide ranging areas of activity mean that the Company does not always come up against the same competitors, and the professionalism of its teams often places **Infotel** at the top of customers' preferred suppliers.

### ***Competition in Software***

In its Software Publishing activity for major IBM systems, **Infotel's** two main competitors are large American publishers: CA Technologies (taken over by Broadcom) and BMC Software (acquired by KKR), who are also rivals of IBM in their strategy to conquer the utility software segment for relational databases. Their recent change in shareholders could affect their positioning.

For archiving and digitization, **Infotel** encounters both hardware suppliers and integrators, such as, for example, EMC, purchased by Dell (which bought out Documentum and Legato), and IBM (which bought out FileNet), and smaller companies seeking to take advantage of the dynamism of this market segment. **Infotel's** double skills set (software publishing and IT service provider) is an asset, as customers prefer a single point of contact capable of customizing and implementing solutions.

For **Orlando** and **Deepeo**, competition is more fragmented due to the specific features of these software solutions and their innovative nature: **Infotel's** technical expertise and reputation for excellence are factors that can help stand them apart from their rivals.

### **5.5.3. Infotel's Position as a Software Publisher**

**Infotel** came 98th in the Top 2021 ranking of French software publishers (based on 2021 revenue in France), published by i-Logiciels & Services in June 2022.

## **5.6. EXCEPTIONAL EVENTS**

The Covid-19 pandemic was an exceptional event that continued to affect the global economy in 2021. But its impacts on **Infotel's** 2022 financial statements were immaterial thanks to the Group's good management and its capacity for growth and innovation.

A key event of the year was the outbreak of the war in Ukraine on February 24, 2022, which significantly disrupted the global economy with a major impact on the supply of raw materials, energy, and food. **Infotel** does not have any activity with the countries affected by this conflict, and is therefore not directly impacted by the war. However, it is suffering from its indirect effects, like the rest of the economy.

Finally, 2022 also saw the confirmation of new sales of the Orlando software solution for airlines.

**Infotel** has also established a presence in India to strengthen its international projects. Since August 19, 2022, Infotel UK Consulting Ltd has owned 99.9% of the Indian company Smurk IT India Private Ltd. Based in Chennai, the Indian subsidiary is located in one of the country's most dynamic IT employment pools. This subsidiary was set up to strengthen **Infotel's** international projects in the automotive, aviation and banking sectors, to complement its European and UK teams.

## **5.7. INTELLECTUAL AND INDUSTRIAL COPYRIGHT**

**Infotel** owns the industrial and intellectual copyright for its software. **Infotel** has implemented procedures aimed at protecting its rights, notably by imposing a confidentiality agreement on personnel with access to the Company's legacy information, and by restricting access to the Company's software source codes. **Infotel** complies with the regulations concerning commercial secrets and copyrights, which nonetheless provide limited protection to ensure the protection of its software products and documentation and miscellaneous written media. **Infotel** may take measures to protect its intellectual and industrial property rights based on copyright laws and trademark and product applications, commercial secrets, confidentiality agreements and contract terms and conditions.

The **Infotel** trademark and that of its products are registered in Europe, North America and in a number of Asian countries.

**Infotel** sells licenses and intellectual property in exchange for the payment of fees.

The software source codes have been filed in France with the Agency for the Protection of Programs.

## 5.8. COMPETITIVE POSITION

The competitive position of the **Infotel** Group is described in section 5.5 “Major Markets”.

## 5.9. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

During 2022, the **Infotel** Group has engaged in research and development efforts for its Software and Services activities.

Spending on software research and development has been focused on innovative software:

- Arcsys (archiving technology platform), including:
  - Development of a reference-based archiving tool;
  - Archive encryption;
  - End-of-life processes for archives;
  - Automatic generation of the archiving parameters input interface;
  - Integration of a steering and supervision tool (Systemd) to automate and monitor archiving processes;
  - Archive enrichment;
  - Archive retrieval optimization.
- Orlando (Suite for Tech Pubs):
  - Transition to 100% service continuity during software version upgrades;
  - Management of aircraft compliance requirements;
  - Document format attribute enhancement;
  - Integration of processing process information in HTML files.
- Further research and development on other products in the **Infotel** range, including:
  - Optimization of CPU consumption for the iDBA product;
  - Implementation of profiling systems for the z/OS platform;
  - Development of debugging tools for the z/OS platform;
  - Implementation of a new SQL request analysis and formatting module for the DB/IQ product;
  - Compatibility of output formats with all unloading products from DB2 databases on z/OS;
  - History of utility resource consumption in DB2;
  - Monitoring work in progress for multi-platform products;
  - Implementation of hardware compression (NX842) by multi-platform products.

For this activity, development costs amounted to €1,409k in 2022. These costs were fully capitalized before recognition of the research tax credit.

For Services, the research and development expenses covered various points among which we can mention:

- When using a graphical interface, analysis of the user’s facial expressions to determine the quality of the application’s ergonomics;
- Identification of bibliographic references in technical and scientific documents using artificial intelligence;
- Determination and indicators of the maturity of an organization using agile development methodologies;
- Construction of a rapid development tool in Microsoft Visual Studio;
- Development of a continuous integration platform for the entire Group.

Research costs for these service activities totaled €1,039k, corresponding only to staff costs taken into account for calculating the research tax credit.

The table below summarizes expenses for research and development over the last three years:

| In €k   | 2022         | 2021         | 2020         |
|---|--------------|--------------|--------------|
| Capitalized development costs                 | 1,409        | 1,417        | 1,473        |
| Development costs of the Orlando software     | 1,687        | 1,242        | 1,009        |
| Development costs recorded as expenses        | 1,039        | 1,357        | 1,186        |
| <b>Total cost of research and development</b> | <b>4,135</b> | <b>4,016</b> | <b>3,668</b> |

## 6. ORGANIZATIONAL STRUCTURE

At December 31, 2022, **Infotel** directly held 100% of the capital of its French subsidiary **Infotel Conseil**, 65% of its French subsidiary **OAIO**, 51% of its UK subsidiary **Infotel UK Consulting Ltd** and 100% of its other foreign subsidiaries. **Infotel Conseil** wholly owns **Coach'IS**, a company that wholly owns **Collaboractif Portail Services**. The UK subsidiary **Infotel UK Consulting Ltd** also owns 99.9% of the Indian subsidiary Smurk IT India Private Ltd.

The scope of the Group, as well as the percentages of control and interest are described on page 122 in section 18.2.6.6 “Statement of Facts and Scope of Consolidation”.

### 6.1. INFOTEL'S POSITION WITHIN THE GROUP

**Infotel** is the lead holding company for the Group, and performs training, design and software sales activities. It also carries out software research and development for the Group. **Infotel** owns the intellectual copyright for its software.

The Executive Committee's members come from **Infotel** and its main IT service subsidiary, **Infotel Conseil**, which is the biggest subsidiary in terms of the Group's business activity.

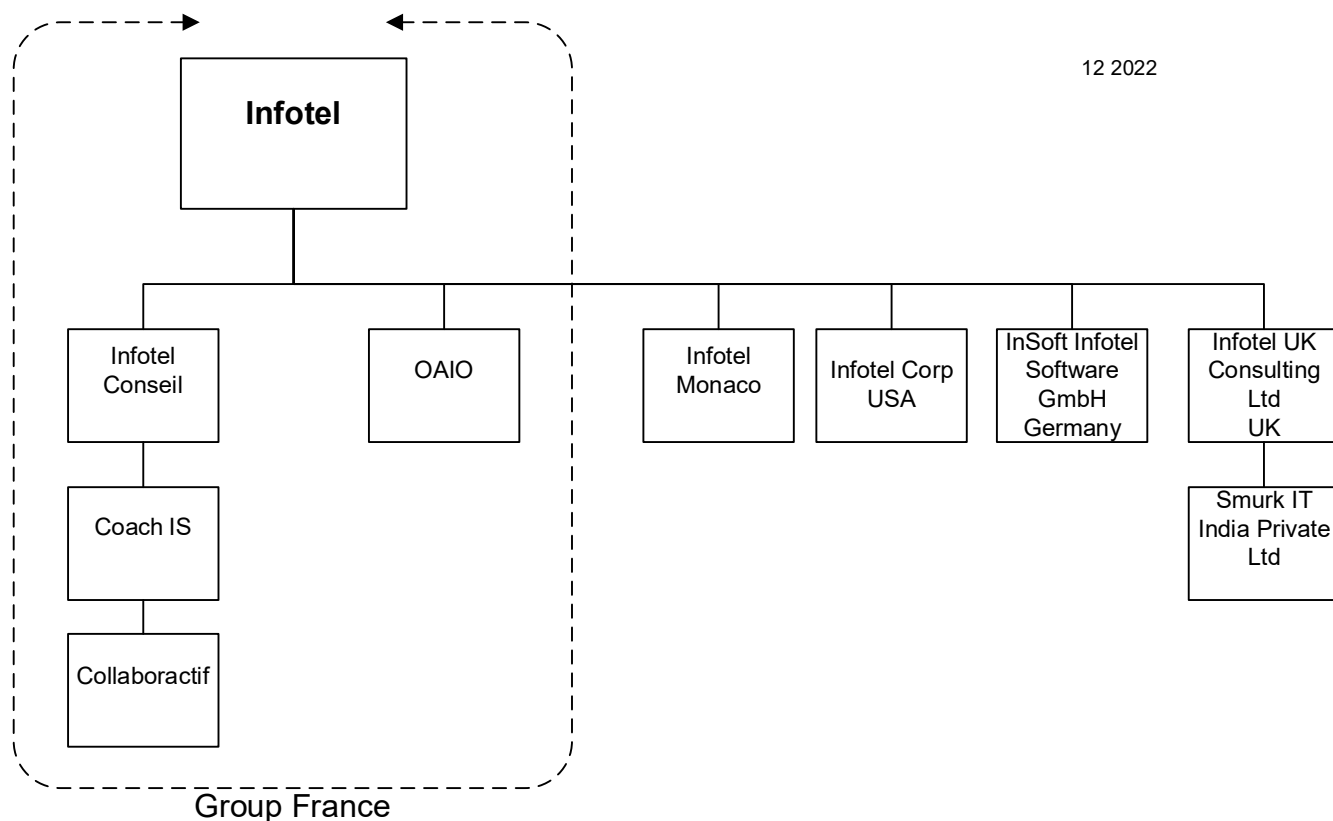
**Infotel's** own results can be found in section 18.3 “Annual financial statements” on page 136.

### 6.2. SUBSIDIARIES

#### 6.2.1. Description and Activities of Subsidiaries

**Infotel** is the parent company of a Group including, at December 31, 2022, the French subsidiaries **Infotel Conseil**, **OAIO**, **Coach'IS** and **Collaboractif Portail Services** and five foreign subsidiaries.

The shareholders and the control of the Group is described in chapter 16 “Major Shareholders” on page 105.



**Infotel Conseil** performs the service provision activities of the Group. It is based in Neuilly-sur-Seine, and carries out its activity in the Paris area; in the west and center of France from its offices in Rennes, Nantes, Le Mans,

Orléans, Niort, Brest and Bordeaux; in the south-west from its site in Toulouse; in the south-east from its offices in Lyon, Dijon, Aix-Marseille and Nice; and in the north-east from its office in Lille.

The company **OAI** is based in Neuilly-sur-Seine and operates as a consultant in the digital field. It covers sectors undergoing major transformation seeking innovation such as banking, insurance, the automotive industry and aeronautics.

The companies **Coach'IS** and **Collaboractif Portail Services** are based in the Lyon area and provide IT services.

The company **Infotel Monaco** based in the Principality of Monaco performs IT service activity.

The company **Infotel UK Consulting Ltd** (Newcastle) performs IT service consultancy activities in the UK.

**Smurk IT India Private Ltd** (Chennai - Tamil Nadu State) provides IT services in India.

Other subsidiaries abroad distribute software developed by **Infotel** for export:

- **Infotel Corp.** (Tampa - Florida) provides technical support in the United States and manages certain distributors;
- **Insoft Infotel Software GmbH** (Düsseldorf) designs, develops and markets technical software in the IBM Db2 sector.

The percentages of ownership interest and voting rights held by the issuer in its subsidiaries are set out in the paragraph of the notes to the consolidated financial statements in section 18.2.6.6 "Statement of Facts and Scope of Consolidation" on page 122.

### **6.2.2. Infotel Conseil Activity**

Revenue for Infotel Conseil, a wholly-owned subsidiary, amounted to €281,229k for fiscal year 2022 compared to €248,775k for the previous year, an increase of 13.05%.

Operating costs increased by 12.29%, from €229,638k in 2021 to €257,861k in 2022.

Operating income amounted to €25,840k, representing 9.19% of 2022 revenue, while operating income for the previous fiscal year stood at €20,903k, accounting for 8.40% of revenue.

Net financial income amounted to €475k, compared with €312k for the previous year.

After deducting income tax of €5,766k and employee profit-sharing of €3,739k, net income came to €16,798k, compared to €12,831k for the previous fiscal year.

### **6.2.3. OAI Activity**

OAI, which is 65%-owned by **Infotel**, recorded revenue of €9,997k in 2022, compared to €9,433k in 2021, representing an increase of 5.98%.

Operating profit of €2,114k represented 21.15% of 2022 revenue, while operating profit for the previous fiscal year stood at €1,496k, accounting for 15.86% of revenue.

After deducting income tax of €468k and employee profit-sharing of €334k, net income came to €1,315k, compared to €900k for the previous fiscal year.

### **6.2.4. Coach'IS Activity**

**Coach'IS**, wholly owned by Infotel Conseil, generated revenue of €138k and net profit of €112k in 2022.

#### **6.2.5. Collaboractif Portail Services Activity**

**Collaboractif Portail Services**, wholly owned by Coach'IS, generated revenue of €60k and net profit of €45k in 2022.

#### **6.2.6. Infotel Corporation Activity (USA)**

**Infotel Corporation** (USA), 100%-owned, provides technical support for software in the United States and manages relations with certain distributors.

It generated revenue of €810k in 2022, up 35.00% (€600k in 2021) and a profit of €41k, compared to €261k for the previous fiscal year.

#### **6.2.7. Infotel Monaco Activity (Monaco)**

**Infotel Monaco** (Monaco), 100%-owned, generated revenue of €7,438k in 2022 compared to €6,269k for the previous year, an increase of 18.65%. This activity showed a profit of €1,300k compared to €1,163k for the previous fiscal year.

#### **6.2.8. Insoft Infotel Software GmbH Activity (Germany)**

**Insoft Infotel Software GmbH** (Germany), 100%-owned, generated revenue of €888k in 2022, down 8.07% (€966k in 2021). This activity showed a profit of €237k compared to €373k during the previous fiscal year.

#### **6.2.9. Infotel UK Consulting Ltd Activity**

**Infotel UK Consulting Ltd** (United Kingdom), 51%-owned, generated revenue of €6,579k, an increase of 50.55% (€4,370k during the 2021 fiscal year). This activity showed a profit of €1,004k compared to €675k during the previous fiscal year.

#### **6.2.10. Business of Smurk IT India Private Ltd**

**Smurk IT India Private Ltd** (India), 99.9%-owned by Infotel UK Consulting Ltd, generated revenue of €401k for the period from August 19, 2022 to the end of the fiscal year. Profit for the period was €63k before income tax.

### 6.2.11. Other Information Related to Subsidiaries

Additional information on the subsidiaries, in particular their revenue and profit/loss, is provided below.

| €k   | Infotel Conseil | Infotel Monaco | Infotel corporation | OAIO  | Coach'IS | Collaboratif Portail Services | Insoft Infotel Software GmbH | Infotel UK Consulting Ltd | Smurk IT India Private Ltd |
|--|-----------------|----------------|---------------------|-------|----------|-------------------------------|------------------------------|---------------------------|----------------------------|
| Capital  | 20,000          | 150            | 0.94                | 133   | 300      | 8                             | 50                           | 0.11                      | 1                          |
| Shareholders' equity (excluding capital stock and before earnings) | 55,130          | 1,095          | (860)               | 2,430 | 513      | 219                           | 758                          | 1,185                     | 67                         |
| Holding  | 100%            | 100%           | 100%                | 65%   | 100%     | 100%                          | 100%                         | 51%                       | 51%                        |
| Book value 12/31/2022  | 6,269           | 128            | 0.87                | 1,578 | 1,519    | 8                             | 2,000                        | 0.07                      | 1                          |
| Loans and advances granted   | 0               | 0              | 0                   | 0     | 0        | 01                            | 0                            | 0                         | 275                        |
| Guarantees issued to subsidiaries                                  | 0               | 0              | 0                   | 0     | 0        | 0                             | 0                            | 0                         | 0                          |
| Revenue before tax   | 281,229         | 7,438          | 810                 | 9,997 | 138      | 60                            | 888                          | 6,579                     | 401                        |
| Current  | 16,798          | 1,300          | 41                  | 1,315 | 112      | 45                            | 237                          | 1,004                     | 63                         |
| Dividends received from the subsidiary                             | 9,000           | 1,000          | 0                   | 390   | 0        | 0                             | 300                          | 87                        | 0                          |

Financial flows existing between the Group's companies are as follows:

|  |         |   |
|--|---------|---|
| Management fees  | €3,120k | Invoiced by Infotel to Infotel Conseil                    |
| Sub-contracting and personnel made available by Infotel Conseil to Infotel | €3,143k | Invoiced by Infotel Conseil to Infotel                    |
| Infotel Corporation royalties  | €223k   | Invoiced by Infotel to Infotel Corp.                      |
| Insoft Infotel Software GmbH costs   | €8k     | Invoiced by Insoft Infotel Software GmbH to Infotel Corp. |
| Civil liability insurance and other expenses                               | €197k   | Invoiced by Infotel to the subsidiaries                   |

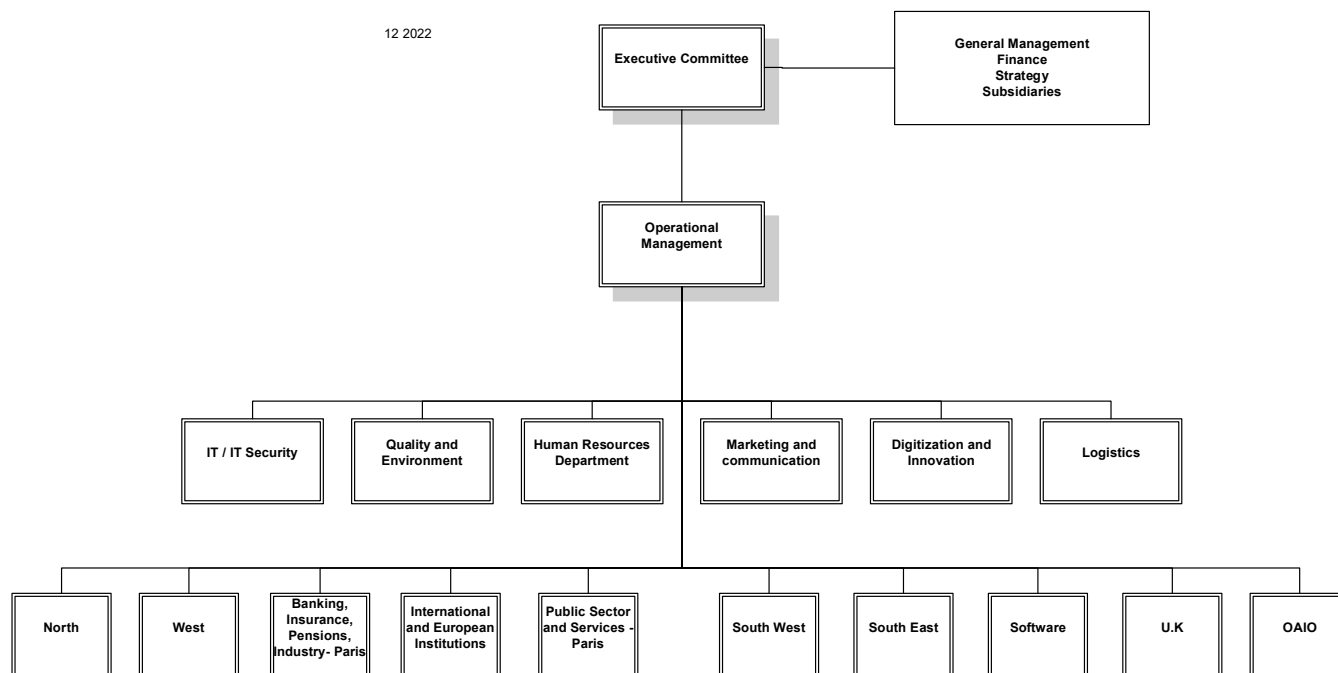
| Overview of parent company-subsidary relationship |                 |                    |         |                    |
|---|-----------------|--------------------|---------|--------------------|
| Consolidated items (excluding dividends) in €k    | Infotel Conseil | Other subsidiaries | Infotel | Consolidated total |
| Fixed assets (including goodwill)                 | 38,255          | 5,170              | 15,649  | 59,074             |
| Debt ex. group                                    | 1               | 275                | 0       | 276                |
| Cash on balance sheet                             | 95,395          | 7,304              | 10,105  | 112,804            |
| Total net cash flow                               | 1,639           | 1,018              | 2,389   | 5,046              |

### 6.3. FUNCTIONAL ORGANIZATIONAL AND HUMAN RESOURCES

The Group's organization note, an element of the **Infotel** Quality system, describes the Group's organization and operation. The management bodies of the Group carry out functional roles and Operational Management manages departments responsible for establishing and carrying out a set of operations in compliance with the defined strategy and objectives.

#### 6.3.1. Organizational Chart

The organizational chart appears here:



#### 6.3.2. Operations

##### The Executive Committee

The Executive Committee is the decision-making body for the Group.

Its major roles are to:

- Study the measures concerning the Group's operations and their application;
- Perform a monthly assessment of the summary activity report, a quarterly assessment of the detailed report of operational departments, and make decisions leading to the achievement of goals;
- Check the progression of decisions;
- Coordinate the actions of different entities;
- Summon, where appropriate, the persons necessary to manage dossiers and make decisions.

As of December 31, 2022, the Group Executive Committee had six members, each responsible for a functional division:

- Bernard Lafforet, Chairman-Chief Executive Officer;
- Michel Koutchouk, Vice-President, Strategy, Communications and Quality;
- Josyane Muller, Vice-President, Finance;
- Éric Fabretti, Vice-President, Sales;
- Jean-François Castella, Vice-President, Software;
- Laeticia Fernandes, Head of Human Resources.

The members of the Executive Committee share Executive Management, Personnel Management, Financial, Strategy, Quality and Communications Management, Subsidiary Management and Logistics functions.

Thus, it works closely with the Financial Department, which is responsible for managing the Group's accounting and cash resources, and performs a management control function. These tasks are performed directly or with the assistance of outside firms.

## Operational Management

This management team is responsible, via the regional divisions that it coordinates, for designing, marketing and ensuring profitability for all services with a commitment to results (service desks), technical support and training adaptable to customer needs as well as software.

It is also responsible for implementing the sales policy for the Group, and ensuring that it is followed consistently by all relevant divisions.

It carries out functions that include managing personnel and recruitment as well as operations and subsidiaries.

**Infotel's** management places special importance on human resources. In Services and an economic context noted for an increasingly demanding customer base, it is essential that **Infotel** carries out an ongoing recruitment strategy to attract high-quality and committed personnel. **Infotel** achieves this with a HR policy based on the following major elements:

- Motivation of its staff members to whom the Company provides the training necessary for their work with customers, and a career plan that allows them to grow within the Group and carve out a career path. This means the Group's employees stay on in the company longer than the employees of other players in the sector, thus preserving the most important investment for a service company: human investment;
- Technical skills required at all hierarchical levels to allow each staff member, whether beginner or advanced, to efficiently carry out assignments for the customer, under the Company's watchful eye;
- Accessibility of all managers, approachable by all employees for any technical, personal or working relationship issue.

## Regional Divisions and Software Division

The regional divisions are the operational bodies of the Group. A regional division carries out, autonomously, all or part of the functions and core businesses of the Group. The overall goal of the regional division is to design, market, develop and ensure the profitability of all TPAM and TPSV, training and technical assistance services and adapt them to customers' needs in a specific territory. The Software division is responsible for the design, development, maintenance and technical support of Software.

There are currently ten divisions:

- Banking, Insurance, Pensions and Industry - Paris;
- Public Sector and Services - Paris;
- International and European Communities;
- West;
- South-East;
- South-West;
- North;
- Software;
- UK;
- OAIO.

The sales engineers are attached to the divisions.



#### 6.4. PREMISES USED BY THE GROUP

| Premises   | Surface in m <sup>2</sup> | Type of premises | Annual rent € | Rent per m <sup>2</sup> | Owner or Agent                           |
|--|---------------------------|------------------|---------------|-------------------------|--|
| <b>Infotel</b><br>4-16, Av. Léon Gaumont<br>75020 PARIS<br>* Headquarters – 1st, 3rd , 4th and 5th floors  | 4,544                     | Offices          | 1,499,520     | 330                     | SEFAL                                    |
| <b>Infotel Conseil</b><br>13 rue Madeleine Michelis<br>92200 Neuilly-sur-Seine<br>* Headquarters – 1 <sup>st</sup> , 2 <sup>nd</sup> and 4 <sup>th</sup> floor | 1,200                     | Offices          | 568,260       | 474                     | Société Michelis                         |
| * Nanterre   | 1,275                     | Offices          | 376,207       | 295                     | ESSET 4 and 5                            |
| * Rennes   | 844                       | Offices          | 153,477       | 182                     | SCI Mabiland                             |
| * Blagnac le Millénaire  | 6,620                     | Offices          | 827,500       | 125                     | SCI IMMOFI 57                            |
| * Balma  | 1,209                     | Offices          | 243,326       | 201                     | BP Occitane                              |
| * Bordeaux – Pessac  | 326                       | Offices          | 135,586       | 161                     | SCI Physalis Segerinvest<br>Pessacinvest |
| * Nantes-Saint Herblain  | 758                       | Offices          | 135,586       | 179                     | SCI PFO2                                 |
| * Lyon   | 759                       | Offices          | 127,075       | 167                     | Nexity SC AFER Pierre                    |
| * Le Mans  | 762                       | Offices          | 101,079       | 133                     | Foncière Lelièvre                        |
| * Valbonne   | 889                       | Offices          | 168,063       | 189                     | PSI CORPORATE                            |
| * Aix-en-Provence  | 926                       | Offices          | 152,139       | 164                     | PFO                                      |
| * Brest  | 548                       | Offices          | 86,629        | 158                     | Baraine IMMO                             |
| * Lille-Lezennes   | 657                       | Offices          | 99,181        | 151                     | TOLEFI                                   |
| * Lille-Lezennes   | 352                       | Offices          | 46,366        | 136                     | TOLEFI 2                                 |
| * Niort  | 805                       | Offices          | 79,980        | 99                      | SC MK2 SCI VICHY<br>ENTREPÔT             |
| * Dijon  | -                         | Physical address | 852           | -                       | LBA Business Center                      |
| * Orléans  | 527                       | Offices          | 83,014        | 158                     | Durand Montouché / A<br>LOUER            |

No equipment was acquired through leasing arrangements as of December 31, 2022.

For subsidiaries abroad, premises are in business centers or not significant.

There is no direct or indirect capital-based link between the Company and its managers and the owners or agents of rented premises.

## 7. REVIEW OF THE COMPANY'S FINANCIAL POSITION AND PROFIT/LOSS

### 7.1. FINANCIAL POSITION

Over the last two fiscal years, the Group has financed its operational activity and its investments mainly using cash flow from operations.

As of December 31, 2021 and 2022, the Group held cash and cash equivalents amounting to €107.8m and €112.8m respectively. In 2022, cash and cash equivalents included €765k in US dollars, €848k in pounds sterling, €208k in Indian rupees, and €110,983k in euros.

The business generated a positive net cash flow of €26,364k thanks to careful management against a backdrop of a slight decline in activity and a shortening of customer deadlines. This cash was used to purchase fixed assets totaling €4,732k.

Cash flow linked to financing transactions mainly concerned the dividend payment for €11,021k after elimination of treasury stock.

### 7.2. CURRENT

#### 7.2.1. Group

Revenue for the Group reached €300,418k for the fiscal year 2022, compared to €263,441k for the previous year, an increase of 14.0%.

The year 2022 saw strong growth in the Services activity (96.50% of revenue), which increased by 13.7% from €254,971k to €289,896k, and a 24.2% rise in the Software activity (3.50% of revenue), from €8,471k to €10,522k.

Current operating costs increased by 12.07%, from €241,492 in 2021 to €270,632k in 2022.

Current operating income amounted to €29,785k and represented 9.91% of revenue, whereas it stood at €21,949k in 2021 and represented 8.33% of revenue, an increase of 1.58 points.

Net financial income came to -€619k compared to -€354k for the previous fiscal year due to the application of IFRS 16 (Leases).

After deducting income tax of €7,914, consolidated net income (Group share) came to €20,314k, compared to €13,702k the previous year.

#### 7.2.2. Parent Company

The **Infotel** parent company creates, develops and sells software in France and abroad.

As the lead holding company for the Group, it obtains its revenue in the form of the granting of software rights in accordance with its distribution agreement with IBM, dividends from its subsidiaries, and its share of financial income resulting from the Group's cash management.

Revenue for the fiscal year 2022 stood at €10,667k, up 11.92% compared to €9,531k in 2021.

Operating costs increased by 8.91%, from €9,850k in 2021 to €10,728k in 2022.

Operating income rose from €1,104k to €1,362k, and net financial income came to €10,781k compared to €9,658k for the previous fiscal year.

Current income amounted to €12,143k compared to €10,762k for the previous fiscal year.

Exceptional income totaled €13k in 2022, compared to €109k in 2021.

Income tax amounted to €4.5k, taking into account a research tax credit of €476k.

Finally, profit for the fiscal year ended December 31, 2022 amounted to €12,152k compared to €11,048k for the previous fiscal year.

Growth in the activity of the **Infotel** parent company, corresponding to software publishing, is described in section 5.5.2 “Distribution of Infotel’s Activities” on page 39, as well as in paragraph 18.2.6.9 “Segment Reporting” on page 133.

### **7.2.3. Governmental Strategies or Factors**

We are not aware of any governmental, economic, budgetary, monetary or political strategies or factors that could have a significant influence, directly or indirectly, on the operations of the Group.

### **7.3. SHAREHOLDERS’ EQUITY**

Equity – Group share stood at €113,087k as of December 31, 2022.

The change in the Group’s equity position of €9,920k is explained by the following:

- Profit/loss 2022: +€20,314k;
- Dividend distribution - Shareholders’ Meeting of May 25, 2022: -€11,021k;
- Change in capital: none;
- Change in consolidated reserves: none;
- Change in additional paid-in capital: none;
- Change in translation reserve: -€109k;
- Impact of movements on treasury stock: -€60k;
- Actuarial change: €739k;
- Free share awards: none;
- Other changes: +€57k.

## 8. LIQUIDITY AND CAPITAL RESOURCES

The activity of the Group's companies generated positive cash flows that enabled the financing of acquisitions of fixed assets for €4,732k in 2022, compared with €3,581k in 2021, as well as the payment of dividends to the shareholders of the parent company totaling €11,021k in 2022, compared to €10,911k in 2021.

The Group deems that it has enough working capital to meet its short-term commitments. It has very low debt.

Detailed information on shareholders' equity and cash flow appear in chapter 18 "Financial information concerning the issuer's assets and liabilities, financial position and results" on page 108.

Information relating to payment deadlines for the company **Infotel** SA is provided in the tables below:

Invoices received and issued that were due but unpaid on the closing date of the fiscal year (dedicated table in I of Article D.441-4 of the French Commercial Code)

| In euros  | Article D.441-4 I.-1°: Invoices <i>received</i> and due but unpaid on the closing date |              |               |               |                  |                        |
|---|--|--------------|---------------|---------------|------------------|------------------------|
|   | 0 day (for information purposes)   | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 or more days) |
| <b>(A) Late payment ranges</b>  |  |              |               |               |                  |                        |
| Number of invoices concerned  |  |              |               |               |                  | 14                     |
| Total amount of invoices concerned (taxes included)   |  | 12,380       | 18,680        | 9,047         | 108,034          | 148,040                |
| %   |  | 0.14%        | 0.21%         | 0.10%         | 1.20%            | 1.65%                  |
| <b>(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims</b>   |  |              |               |               |                  |                        |
| Number of invoices excluded   |  |              |               |               |                  | 0                      |
| Total amount of excluded invoices (specify: before taxes or taxes included)   |  |              |               |               |                  | 0                      |
| <b>(C) Reference payment deadlines used (contractual or legal deadline - Article L.441-6 or Article L.443-1 of the Commercial Code)</b> |  |              |               |               |                  |                        |
| Payment deadlines used to calculate late payments   | Contractual deadlines:<br>Legal deadlines: 45 days                                     |              |               |               |                  |                        |
|   | Article D.441-4 I.-2°: Invoices <i>issued</i> and due but unpaid on the closing date   |              |               |               |                  |                        |
|   | 0 day (for information purposes)   | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 or more days) |
| <b>(A) Late payment ranges</b>  |  |              |               |               |                  |                        |
| Number of invoices concerned  |  |              |               |               |                  | 19                     |
| Total amount of invoices concerned (taxes included)   |  | 0            | 70,483        | 7,514         | 1,119,438        | 1,197,435              |
| Percentage of revenue for the fiscal year (taxes included)  |  | 0.00%        | 1.07%         | 0.11%         | 17.05%           | 18.24%                 |
| <b>(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims</b>   |  |              |               |               |                  |                        |
| Number of invoices excluded   |  |              |               |               |                  | 0                      |
| Total amount of excluded invoices (specify: before taxes or taxes included)   |  |              |               |               |                  | 0                      |
| <b>(C) Reference payment deadlines used (contractual or legal deadline - Article L.441-6 or Article L.443-1 of the Commercial Code)</b> |  |              |               |               |                  |                        |
| Payment deadlines used to calculate late payments   | Contractual deadlines:<br>Legal deadlines: 60 days                                     |              |               |               |                  |                        |

Invoices received and issued that experienced a delay in payment during the fiscal year (dedicated table in II of Article D.441-4 of the Commercial code)

| In euros  | Article D.441-4 II: Invoices <i>received</i> that experienced a delay in payment during the fiscal year |              |               |               |                  |                        |
|---|---|--------------|---------------|---------------|------------------|------------------------|
|   | 0 day (for information purposes)  | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 or more days) |
| <b>(A) Late payment ranges</b>  |   |              |               |               |                  |                        |
| Total number of invoices concerned  |   |              |               |               |                  | 46                     |
| Total amount of invoices concerned (taxes included)   |   | 74,377       | 9,300         | 12,146        | (663)            | 95,160                 |
| Percentage of the total amount of invoices received in the year (taxes included)  |   | 0.83%        | 0.10%         | 0.14%         | (0.01)%          | 1.06%                  |
| <b>(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims</b>   |   |              |               |               |                  |                        |
| Number of invoices excluded   |   |              |               |               |                  | 0                      |
| Total amount of excluded invoices (taxes included)  |   |              |               |               |                  | 0                      |
| <b>(C) Reference payment deadlines used (contractual or legal deadline - Article L.441-6 or Article L.443-1 of the Commercial Code)</b> |   |              |               |               |                  |                        |
| Payment deadlines used to calculate late payments   | Contractual deadlines:<br>Legal deadlines: 45 days  |              |               |               |                  |                        |
|   | Article D.441-4 II: Invoices <i>issued</i> that experienced a delay in payment during the fiscal year   |              |               |               |                  |                        |
|   | 0 day (for information purposes)  | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 or more days) |
| <b>(A) Late payment ranges</b>  |   |              |               |               |                  |                        |
| Total number of invoices concerned  |   |              |               |               |                  | 15                     |
| Total amount of invoices concerned (taxes included)   |   | 270,313      | 48,944        | 88,438        | 87,196           | 494,891                |
| Percentage of the total amount of invoices issued in the year (taxes included)  |   | 4.12%        | 0.75%         | 1.35%         | 1.33%            | 7.54%                  |
| <b>(B) Invoices excluded from (A) relating to debts and contested and unrecorded claims</b>   |   |              |               |               |                  |                        |
| Number of invoices excluded   |   |              |               |               |                  | 0                      |
| Total amount of excluded invoices (taxes included)  |   |              |               |               |                  | 0                      |
| <b>(C) Reference payment deadlines used (contractual or legal deadline - Article L.441-6 or Article L.443-1 of the Commercial Code)</b> |   |              |               |               |                  |                        |
| Payment deadlines used to calculate late payments   | Contractual deadlines: 60 days<br>Legal deadlines:  |              |               |               |                  |                        |

## 9. REGULATORY ENVIRONMENT

The regulatory environment in which **Infotel** operates is described in the following paragraphs:

- 3.4: “Legal Risk”;
- 4.1.4: “Headquarters, Legal Structure and Applicable Legislation”;
- 15.7.2.3: “Human Rights”;
- 15.7.2.4: “Anti-Corruption”;
- 15.7.2.5: “Combating Tax Evasion”;
- 15.7.2.6: “Personal Data - GDPR Compliance”.

## 10. TREND INFORMATION

### 10.1. TRENDS SINCE THE END OF THE FISCAL YEAR 2022

The start of 2023 followed in the same vein as the end of 2022.

As *Numeum* (the professional organization of the digital ecosystem in France) announced in its press release of December 15, 2022, growth of +5.9% is expected for 2023, with a promising outlook for the sector, which is looking for talent.

For **Infotel**, the situation varies depending on the sector: the Banking/Finance sector maintains its position, generating more than 40% of Services revenue and taking full advantage of the digitalization of processes, while Industry now accounts for 27.0% of Services revenue. The Services – Transport sector remained dynamic, with 17.2% of Services revenue. The inter-contract rate remains very low, below 1%, and the recruitment target is for 1,000 new hires by the end of the next fiscal year. The sales teams are still active and new references are a positive factor for the coming years.

As described in the “Financial reporting calendar” section on page 168, the press release on sales and trends for the first quarter of 2023 will be released on the evening of May 17.

### 10.2. TRENDS FOR THE FISCAL YEAR 2023

**Infotel** has excellent advantages with its two business divisions, Services and Software, a comfortable cash position, a lack of debt and a strong positioning among its customers.

In 2023, the Group intends to consolidate its commercial positions with the majority of its key accounts.

The publication of the new 2022-2026 business plan set out the Group’s ambitions and the resources that will enable it to pursue its growth both in Services and Software.

The beginning of 2023 saw a good level of growth, strong demand for upgrades in our customers’ information systems and an increase in digitalization. We are continuing to manage the scarcity of resources with short-term use of more outsourcing and offshore bases. However, the actions taken to accelerate recruitment and training are having an impact.

Admittedly, there are clouds on the horizon, in particular with the return of inflation, and uncertainty over the macro-economic situation with the repercussions of the crisis in Eastern Europe.

But we are confident that our employees and our company will achieve the goals of this strategic development plan.



## **11. EARNINGS FORECASTS OR ESTIMATES**

The Company does not provide a forecast or estimate of its future earnings.

## 12. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES

### 12.1. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

#### 12.1.1. Membership of Administrative and Management Bodies

The administration of the Company is entrusted to a Board of Directors currently consisting of six members. The term of office of directors is six years, renewable, except for the term of office of the director representing employees, which is three years. The Board of Directors met ten times in fiscal year 2022. The attendance rate of those meetings was 100%, accounting for participants with the right to vote.

As of December 31, 2022, the Board of Directors was composed as follows:

| First and last name of member | Date of first appointment | Expiry date of term   | Main position held within the Company | Main position held outside the Company | Other terms of office and positions held in any company  |
|-------------------------------|---------------------------|---|---------------------------------------|--|--|
| Bernard Lafforet              | December 31, 1979         | Shareholders' Meeting called to approve the financial statements for fiscal year 2023 | Chairman-Chief Executive Officer      | None                                   | President - Director of Infotel Corp.<br>Chairman - Executive Officer of Infotel Monaco                  |
| Michel Koutchouk              | June 3, 1982              | Shareholders' Meeting called to approve the financial statements for fiscal year 2023 | Executive Officer                     | None                                   | Director of Infotel Corp.<br>Permanent Representative of Infotel, Member of the Board of Infotel Conseil |
| Josyane Muller                | May 23, 2006              | Shareholders' Meeting called to approve the financial statements for fiscal year 2023 | Executive Officer                     | None                                   | Chairperson of Infotel Conseil   |
| Hélène Kermorgant             | May 20, 2015              | Shareholders' Meeting called to approve the financial statements for fiscal year 2023 | None                                  | None                                   | None   |
| Alain Hallereau               | May 29, 2019              | Shareholders' Meeting called to approve the financial statements for fiscal year 2024 | None                                  | None                                   | None   |
| Dominique Mazurier            | November 20, 2020         | Shareholders' Meeting called to approve the financial statements for fiscal year 2023 | Employee, Project Director            | None                                   | None   |

As of December 31, 2022, the Group's management team had four members:

- Bernard Lafforet, Chairman-Chief Executive Officer, graduated in mathematics from the French Ecole Normale Supérieure, founded Infotel after ten years in research with the CNRS; his term expires after the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;
- Michel Koutchouk, Director and Executive Officer, graduated from IEP Paris and engineer of the Arts et Métiers, joined Bernard Lafforet to create Infotel after ten years with the IT Department at Air France; his term expires after the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;
- Josyane Muller, Executive Officer, graduated from ISIN-ESSTIN in Nancy, joined Infotel in 1985 after 18 years with digital service companies including nine with Cap Gemini as Branch Manager; her term expires after the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023;

- Éric Fabretti, Executive Officer, with a Masters in IT from Paris V, joined Infotel in 1996 after 12 years in the IT service field, including two for Sopra and ten as a consultant; his term expires after the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

The experience and skills of H el ene Kermorgant are described in the section on "The Board of Directors" on page 64.

All of these persons are domiciled at the Company's Headquarters.

The management expertise and experience of these individuals is a result of previous salaried positions and/or management positions previously held and/or still held in other companies or various bodies.

There are no family ties between the people in this list.

Over the past five years, none of the people mentioned in chapter 12 on page 58 held offices in companies other than those of the Group which are, for some, no longer part of the Group or have been absorbed.

Bernard Lafforet is also Chairman-Executive Officer of Infotel Monaco and President-Director of Infotel Corporation.

Michel Koutchouk is Director of Infotel Corporation, a permanent representative of **Infotel**, director of Infotel Conseil.

Josyane Muller holds the position of Chairperson of Infotel Conseil.

 Eric Fabretti holds the position of Chairman of OAIO. He is Director of Infotel UK Consulting Ltd, Chairman of Coach'IS and manager of Collaboratif Portail Services.

During the previous five years, no member of the Executive Committee has been convicted of fraudulent offenses, has been involved in bankruptcy, receivership or liquidation proceedings, has been subject to a prohibition to manage, or has been subject to official public incrimination and/or sanctions imposed by other public authorities.

In view of the current composition of the board of directors made up of three founding members who are also operational directors of the company, it is difficult to provide for a phased renewal of their mandates. **Infotel** will study the possibility of organizing a staggered renewal of the directors' terms of office according to Middlednext Code recommendation R 9 or it will justify the non-application of this recommendation according to the "Comply or explain" principle.

The appointment of a second independent director (Alain Hallereau), by the annual Shareholders' Meeting on May 29, 2019 called to approve the 2018 financial statements, made it possible to complete the Board of Directors with a member whose term of office has a different end date from that of the other directors, thus staggering the renewal of terms in the future.

## **12.2. CONFLICTS OF INTEREST**

With the exception of a large number of shares held by the persons mentioned in paragraph 12.1.1, to the Company's best knowledge, there are no existing or potential conflicts of interest between it and these persons.

There are no service contracts linking the members of the administrative or management bodies to the Company or its subsidiaries and from which a member may derive economic benefits.

## 13. REMUNERATION AND BENEFITS

### 13.1. EXECUTIVE PAY

All remunerations paid during the past three accounting periods, to each executive officer, are as follows, on a gross pre-tax basis:

| In euros         | 2022    | 2021    | 2020    |
|------------------|---------|---------|---------|
| Bernard Lafforet | 216,000 | 216,000 | 216,000 |
| Michel Koutchouk | 199,226 | 197,808 | 197,808 |
| Josyane Muller   | 192,000 | 192,000 | 192,000 |
| Éric Fabretti    | 239,833 | 240,000 | 210,000 |

All above remunerations are allocated to an executive officer.

Michel Koutchouk received, over the course of the last three accounting periods, a benefit in kind in the form of the use of a vehicle.

For the years ending on December 31, 2020, 2021, and 2022, no proportional, variable, or exceptional remuneration or fee was paid to any executive.

It is noted that no executive officer received any other remuneration or any sort of benefit in kind from the companies controlled by **Infotel**, as per Article L.233-16 of the French Commercial Code.

No stock subscription or purchase options, or any instrument providing access to capital, were granted to the executive officers.

No loans, nor any guarantees, were accorded to the executive officers.

There are no arrangements, of any kind, made by the Company in favor of the executive officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

The “Statutory Auditors’ special report on related-party agreements” covered in section 18.4.3 on page 157 does not mention any related party transactions.

### 13.2. PENSIONS AND OTHER EMPLOYEE BENEFITS

Provisions are made for legal and contractual indemnities for each employee present from December 31, 2022 calculated according to how long, theoretically, they would have worked at the day of their retirement, and in accordance with the projected credit unit method.

The commitment to pay a bonus for ten years of service is also provided for under the same conditions as of January 1, 2004.

Pensions, including the seniority bonus, are calculated using the following criteria:

- Turnover among employees under 56 years old:
  - 13% for employees of Infotel Conseil and OAIO;
- Turnover among employees over 56 years old:
  - 0.4% for the Group’s entire workforce;
- Discount rate: 3.65% for pensions (0.90% in 2021) and 3.60% for the 10-year seniority bonus (0.67% in 2021);
- Retirement age: 65;
- Rate of increase in salaries for employees under 56 years old: 2.5%;
- No increase in salaries is planned for employees over 56 years old;
- Rate of employer’s contribution: 45%.

The retirement provision for Group entities stood at €3,030k at the end of the 2022 fiscal year.

The company has chosen to offset actuarial differences directly in the consolidated reserves.

## **14. OPERATION OF ADMINISTRATION AND MANAGEMENT BODIES**

### **14.1. TERMS AND SERVICE CONTRACTS**

The expiry dates of directors' terms are indicated in section 12.1.1 on page 58.

No service contracts connect the members of the administrative and management bodies with the issuer.

### **14.2. CORPORATE GOVERNANCE AND COMMITTEES**

This information is described in section 14.5 "Board of Director's report on corporate governance" on page 63.

### **14.3. RESTRICTIONS TO THE POWERS OF THE CHIEF EXECUTIVE OFFICER**

No restriction on the powers of the Chief Executive Officer is provided for, either in the Articles of Incorporation or by the Board of Directors. As a result, the Chief Executive Officer is invested with extensive powers, within the confines of the corporate purpose, to act in the name of the Company.

### **14.4. ADDITIONAL INFORMATION ON CORPORATE GOVERNANCE**

In addition to the information above, the following details are added:

- Number of independent directors: 2.
- Number of directors elected by employees: 1.
- Annual remuneration of directors (e.g. attendance fees): €6k for independent directors, in accordance with recommendation R 10 of the Middlednext Code, or €3k per independent director.
- Audit Committee: duties performed by Board members.
- Compensation Committee: None.
- Gender equality: Two women and three men (pursuant to Articles L.225-27, paragraph 2 and L.225-27-1, II paragraph 2 of the French Commercial Code, the director representing employees is not included in this calculation).

The Company complies with the corporate governance regime in force in France, as it refers to in the Middlednext Code, for which the application procedures are laid out in the internal control report.

In accordance with recommendation R 3 of the Middlednext Code, which recommends the appointment of two independent directors to the Board, a second independent director (Alain Hallereau) was appointed to the Board by the Combined Shareholders' Meeting on May 29, 2019.

## 14.5. BOARD OF DIRECTOR'S REPORT ON CORPORATE GOVERNANCE

### Board of Director's Report on Corporate Governance as Provided for in Article L.225-37 of the Commercial Code with Respect to the Fiscal Year Ended December 31, 2022

(Directive 2017-1162 of July 12, 2017 and decree 2017-1174 of July 18, 2017, pursuant to the law 2016-1691 of December 9, 2016 called the Sapin II law)

#### Introduction: Review of Legal Obligations

In accordance with the provisions of Article L.225-37 (public limited company with a Board of Directors) or L.225-68 (for public limited companies with Management and Supervisory Boards) of the French Commercial Code, the aim of this report is to document the preparation and organization conditions of the work of the board, as well as the limitations to the Chief Executive Officer's powers.

The purpose of this report is to replace the previous report of the Chairman on internal control procedures following the entry into force of the Sapin II law. The information in the former report relating to internal control procedures have been moved to the management report and to paragraph 3.7 of this document.

This report has been prepared with the support of the financial departments, and was approved by the Board of Directors at its meeting of April 26, 2023.

**Infotel** refers to the September 2021 Middelnext Corporate Governance Code for small and mid-caps, available on the Middelnext website:

[Middelnext Governance Code revised 2021 - Middelnext](#), hereafter the Reference Code.

At its meeting of March 10, 2010, the Board of Directors decided to change the Reference Code for corporate governance and adopt the Middelnext Code, which is more in keeping with the Group's issues and size, the make-up of its management team and the high level of involvement of its members (managers-shareholders).

The Board took note of the contents of the Middelnext Code's "vigilance points".

Regarding the remuneration of its executive officers, an important point in the Reference Code, it should be noted that **Infotel** has always adopted an exemplary policy of remuneration and benefits for its officers-directors. Officers-directors do not benefit from either proportional, variable or exceptional remuneration, or advantages such as: annual remuneration of directors (e.g. attendance fees), stock-option purchases, instruments providing access to capital, free stock or severance pay.

Pursuant to the provisions of paragraph 7 of Article L.225-37 of the French Commercial Code, this report sets out the provisions of the Middelnext Code that have been omitted and the reasons why.

## Corporate Governance

### The Management Team

As of December 31, 2022, the Group management team had four members:

- Bernard Lafforet, Chairman – Chief Executive Officer, a graduate of the French Ecole Normale Supérieure in mathematics. He founded Infotel after ten years of research at the CNRS;
- Michel Koutchouk, Director and Executive Officer, a graduate of IEP Paris and engineer of the Arts et Métiers. He joined Bernard Lafforet to create Infotel after ten years with the IT department at Air France;
- Josyane Muller, Executive Officer, a graduate of the ISIN-ESSTIN in Nancy. She joined Infotel in 1985 after 18 years in digital service companies, including nine at Cap Gemini as Branch Manager;
- Éric Fabretti, Executive Officer in charge of commercial activity, holder of a Masters in IT from Paris V, non-director.

### The Board of Directors

The Board of Directors is comprised as follows:

- Bernard Lafforet, Chairman-Chief Executive Officer;
- Michel Koutchouk, Director and Executive Officer;
- Josyane Muller, Director and Executive Officer;
- Hélène Kermorgant, Director;
- Alain Hallereau, Director;
- Dominique Mazurier, Director representing the employees.

Graduate of the French École Supérieure de Gestion, Hélène Kermorgant is currently partner at RSM Paris, chartered accountant and statutory auditor. During her career, she has acted as Statutory Auditor and chartered accountant, notably as Financial Director for a mixed economy company from 1994 to 1999 and from then on as Director then partner at RSM Paris. She has lectured at the University Paris Dauphine and is a trainer at the French National Auditing Authority (Compagnie Nationale des Commissaires aux Comptes).

Alain Hallereau holds a postgraduate diploma in computer science. He joined the Management to set up **Infotel** after seven years in the IT departments of industrial companies and two at Cap Gemini. He ceased his duties as an employee and Director of **Infotel** in May 2012.

Dominique Mazurier holds an electrical engineering degree and an IT Data Control qualification. Since 1983 he has worked in several digital service companies and joined **Infotel** in February 2003. Since 2006, he has been a project director in charge of a service desk for a large banking customer. He supervises all of the customer's mainframe operations on **Infotel's** service desk. He has been a Director representing employees since his election in November 2020.

### Report on the Board of Directors' Work

During the year ended December 31, 2022, the Board of Directors of **Infotel** met ten times (with an average attendance rate of 100%) with the following agendas and dates:

- January 26, 2022, company strategy (no. 1), update on the stock and the financial markets;
- March 16, 2022: approval of the 2021 financial statements and preparation of the Combined Shareholders' Meeting;
- April 27, 2022, company strategy (no. 2), update on the stock and the financial markets;
- April 27, 2022: final approval of the legal documents and the Universal Registration Document (URD), adoption of the annual conflict of interest disclosure procedure and resulting adoption of the new version of the Board of Directors' internal rules of procedure, examination of potential conflicts of interest pursuant to the annual conflict of interest disclosure procedure, review of the gender balance policy;
- May 25, 2022: launch of the share buyback program;
- May 25, 2022: renewal of the term of the independent third-party organization for the verification of CSR reporting for three years, until the end of the Shareholders' Meeting held in May 2025 to approve the accounts closed on December 31, 2024;
- June 22, 2022: acquisitions of Smurk IT India Private Ltd (India) and W@btech Ind Ltd (UK);



- July 27, 2022: company strategy (no. 3), update on the stock and the financial markets; powers to the Board of Directors to convene an Extraordinary Shareholders' Meeting for the allocation of free shares over 38 months (2023, 2024 and 2025);
- September 21, 2022, closing of the accounts at June 30, 2022 (first half of 2022);
- October 26, 2022, company strategy (no. 4), update on the stock and the financial markets.

In any event, the Board of Directors meets whenever the Company requires.

### **Internal Rules of Procedure of the Board of Directors**

On January 26, 2011, the **Infotel** Board of Directors established its Rules of Procedure, which can be viewed on the Company's website.

These Internal Rules of Procedure outline the various duties of the members of the **Infotel** Board of Directors and complement legal, regulatory and statutory rules by specifying the working methods of the Board of Directors, and integrating the eight sections set out in recommendation R 9 of the Middlednext Code 2021:

- role of the Board and any operations that are subject to prior authorization by the Board, if applicable;
- composition of the board/independence criteria applicable to directors;
- definition of the role of specialized committees that may be established;
- board members' duties (ethics, loyalty, non-competition, disclosure and monitoring of conflicts of interest and duty to abstain, confidentiality etc.);
- board functioning (frequency, convening, disclosure of information to directors, self-evaluation, use of videoconferencing and telecommunications facilities) and, when specialized committees exist, a description of their roles;
- protection provided to directors and officers: directors' and officers' liability insurance (D&O LI);
- Remuneration rules for "Board members";
- succession planning information of the "executive" and key people.

The Rules of Procedure were updated at the board meeting of April 27, 2022 in compliance with the new Middlednext Code.

### **Provisions Concerning Directors - Presence of two Independent Directors**

The qualities that should apply to a director are competence, experience and respect for the corporate interest of the company.

**Infotel** has two specific features: the size of the Group and the strong involvement of the three members of the Board with executive functions (managers-shareholders), who are highly invested in the management of the Group's key procedures and committed to the company's corporate interest at all times.

Hélène Kermorgant was appointed as the first independent director at the General Shareholders' Meeting of May 20, 2015 that approved the financial statements for 2014.

Hélène Kermorgant is considered an independent director for the following reasons:

- Over the past five years, she has not been an employee or executive officer of **Infotel** or a Group company.
- Over the past two years, she has not been a significant customer, supplier, auditor, banker (investment or corporate financing) of **Infotel** or the Group, or for which **Infotel** or the Group represents a significant part of the activity.
- Hélène Kermorgant has no close family ties with a corporate officer or a reference shareholder.
- Hélène Kermorgant was not the company's auditor for the previous six years.
- Hélène Kermorgant is not a reference shareholder of **Infotel** and does not hold a significant percentage of voting rights.

In addition, Hélène Kermorgant is not subject to any commitment aimed at preserving the conditions of her qualification as independent director and does not maintain any business relationship with **Infotel**.

In accordance with recommendation R 3 of the Middlednext Code, which recommends the appointment of two independent directors to the Board, a second independent director (Alain Hallereau) was appointed to the Board at the Annual Shareholders' Meeting on May 29, 2019 that approved the financial statements for fiscal year 2018.

Alain Hallereau is independent for the following reasons:

- He has not been an employee or executive officer of **Infotel** or a company in the Group for more than five (5) years (he was an employee and director until May 2012).
- Alain Hallereau holds **Infotel** shares, without however being considered a reference shareholder or holding a significant percentage of voting rights within the meaning of the Middlednext Code.
- He has no close family ties with a corporate officer or a reference shareholder that is likely to affect the independence of his judgment.
- Alain Hallereau has not been a significant customer, supplier, banker (business or financing) of **Infotel** or the Group, or for which **Infotel** or the Group represents a significant part of the activity, during the last two years.
- He was not the auditor of **Infotel** or a Group company during the previous five (5) years.

### **Conflicts of Interest**

With a view to avoiding conflicts of interest, **Infotel** has adopted the MEDEF criteria (in its guide “preventing and managing conflicts of interest”), which identify such conflicts: a conflict of interest exists when a significant interest (be it sentimental, familial, financial, associative, cultural, sporting, political, charitable, religious, trade union, philosophical, etc.) that is external to the company managed by the director may interfere in the positions or decisions he or she may take while carrying out his or her executive duties.

A conflict of interest is seen when an individual risks losing his or her objectivity and intellectual independence, and finds him/herself weakened in carrying out their responsibilities.

Managing conflicts of interest within the board relies on voluntary disclosure by each Director according to the board’s Rules of Procedure. An absence of information is interpreted as an absence of any conflict of interest. Where a conflict of interest arises after a Director is appointed, he/she must inform the board, abstain from voting or participating in discussions and, if necessary, resign.

Furthermore, in accordance with recommendation R 2 of the Middlednext Code, the Board implements an annual procedure for the disclosure and monitoring of conflicts of interest, which consists each year of reviewing the situation of all members of the Board at one of its meetings, mentioning any conflicts of interest that were identified during the previous fiscal year for each of them, indicating, where applicable, the appropriate treatment that was taken following the detection of such conflicts and whether or not there is any potential or current conflict of interest at the date of the Board meeting.

The Board of Directors carried out this review at its meeting of April 26, 2023 for the 2022 fiscal year, during which it was noted that no conflict of interest was identified or revealed during the past year for any of the Board members. In addition, it confirmed that there are no current or potential conflicts of interest with respect to any members of the Board as of the date of the meeting.

### **Board Relationships with Third Parties**

In fulfilling their duties attributed by the law to the Audit Committee, the Board of Directors monitors the information provided to shareholders as well as to the market. It examines the press releases distributed by the Company to inform market players of key events concerning the **Infotel** Group.

Pursuant to Article L.225-238 of the French Commercial Code, the auditors are summoned to Board meetings that examine the interim accounts (six-month consolidated financial statements) and the annual accounts (individual and consolidated).

### **Audit Committee**

The Board of Directors, through Executive Management and the firm of internal chartered accountants that supports the Group in its work, performs the internal audit functions for the Group.

**Infotel** has elected to exempt itself from the obligation of setting up an Audit Committee as provided for in Article L.823-20 4° of the French Commercial Code regarding individuals and entities with a body performing the duties of the specialized committee mentioned in Article L.823-19, provided that this body, which may be the administrative body, is identified.

**Infotel’s** Board of Directors is identified, in the conditions laid down in the text, as the body responsible for performing Audit Committee functions as mentioned in the law.

In accordance with the duties of the Audit Committee, the Board of Directors, in fulfilling the functions of the Audit Committee, thus ensures the:

- Financial reporting processes;
- Efficiency of internal control and risk management systems;
- Legal control of annual and consolidated accounts by the auditors;
- Independence of the auditors.

At its meeting of January 26, 2011, the Board of Directors specified, in its Rules of Procedure, the working rules of the Board of Directors in its capacity of Audit Committee, and the responsibilities it will bear.

There is no requirement for the presence within the Board of a member competent in accounting and financial practices.

Nevertheless, H  l  ne Kermorgant, the independent director, embodies all the financial expertise required to chair the Board when it meets as the Audit Committee.

H  l  ne Kermorgant is Chair of the Board when it meets as the Audit Committee, as decided at the board meeting of May 20, 2015.

To promote efficient and frank debate, the Chairman-Chief Executive Officer, however, attends when the Board meets as the Audit Committee.

### **CSR Committee**

*As the Middelnext Code points out in its new recommendation R 8, "Companies are increasingly being asked by their stakeholders to formalize the actions they have taken to protect their environment and create sustainable value. The Paris Agreement, the first legally binding international treaty on climate change and the European Council's endorsement of the objective to achieve a climate-neutral EU by 2050 are driving companies to radically change the way they operate so that Corporate Social Responsibility (CSR) may be even more at the core of all strategic decisions."*

Pursuant to this new recommendation, the Middelnext Code recommends that each Board establish a CSR Committee. The establishment of a CSR Committee is under review at **Infotel**, which is considering either setting up a CSR Committee separate from the Board of Directors, or scheduling a meeting of the Board of Directors acting as the CSR Committee. As this new recommendation comes from a recent update of the Middelnext Code, **Infotel** plans to set up this CSR structure during 2023, to give the company time establish its composition, chairmanship, role, functions and method of operation.

### **Assessment of the Board of Directors**

In line with recommendation R 13 of the Middelnext Code of Governance and incorporated in Article 4 of the Rules of Procedure, once a year the members of the Board are asked by the Chair to give their views on Board of Directors' operations and work preparation. This discussion is recorded in the minutes of the Board of Directors' meeting.

It is also noted that the Company encourages self-monitoring by the Directors with respect to their capacity to assess the relevance of the operations of the Board of Directors, and the Directors are regularly asked to give their opinion on Board operations and work preparation.

At the Board meeting on March 22, 2023 relating to the 2022 accounts, the Directors gave their views on the assessment of the work of the Board.

It emerged from this debate that the Directors consider that the Board is functioning in a satisfactory manner and in the best interests of the Company.

In accordance with Law No. 2019-486 of May 22, 2019 on business growth and transformation (the "PACTE law"), Dominique Mazurier was elected as a director representing employees on the Board in November 2020. As a result of this election, the Board is composed of two women and four men. However, the composition of the Board still respects the principles of gender diversity laid down by Law No. 2011-103 of January 27, 2011 on the equal representation of women and men on boards of directors. Pursuant to Articles L.225-27, paragraph 2 and L.225-

27-1, II, paragraph 2 of the French Commercial Code, the director representing employees is not included in the calculation of the proportion of men and women on the Board of Directors. The ratio remains two women and three men.

The Board has also improved on the independence criteria required by the Middledenext Code and attributed to the independent director position, which is held both by H  l  ne Kermorgant, who has considerable ability in financial and accounting matters, and by Alain Hallereau.

### **Training of Board Members**

Pursuant to recommendation R 5 of the Middledenext Code in its revised version of September 2021, it is recommended that the Board provide for a three-year training plan adapted to the company's specific situation and environment, to both executive and non-executive Board members. The plan should take into account expertise gained through experience.

However, it must be noted that the position on Infotel's Board of Directors does not constitute a new term in office for Bernard Lafforet, Josyane Muller, Michel Koutchouk, H  l  ne Kermorgant, or Alain Hallereau.

Bernard Lafforet is the founding manager of Infotel, a Group created in 1979 and later joined by Michel Koutchouk and Josyane Muller. Their respective expertise and skills developed as part of their training and in the course of their professional experience, as well as within Infotel Group, both as founding managers and directors, mean that their expertise has been gained by experience. This justifies the absence of a training plan for them. Their experience and expertise are described in the chapter entitled "Board of Directors" of the Universal Registration Document.

The same applies to H  l  ne Kermorgant and Alain Hallereau, who also have expertise from their experience. Their experience and skills are also described in the chapter entitled "Board of Directors" of the Universal Registration Document. Their respective experience justifies the absence of a training plan for them.

Dominique Mazurier knows the **Infotel** Group very well since he joined the Group in February 2003. However, as his term of office as a director representing employees is a new role, the need for specific training in terms of governance is relevant. In addition to recommendation R 5 of the Middledenext Code, such training is required by legislation, for the Director representing employees, pursuant to Article L.225-30-2 of the French Commercial Code. Accordingly, Dominique Mazurier received specific training from the Institut Fran  ais des Administrateurs (IFA) in June 2021.

## Administration and Management Bodies

| First name, last name of the Directors and Executive Officers | Positions occupied in other companies   |
|---|---|
| <b>Directors</b>  |   |
| Bernard Lafforet, Chairman-Chief Executive Officer            | President - Director of Infotel Corp.<br>Chairman - Executive Officer of Infotel Monaco   |
| Michel Koutchouk  | Director of Infotel Corp.<br>Permanent Representative of Infotel, Member of the Board of Infotel Conseil  |
| Josyane Muller  | Chairperson-Chief Executive Officer of Infotel Conseil  |
| Hélène Kermorgant   | None  |
| Alain Hallereau   | None  |
| Dominique Mazurier  | Employee, Project Director  |
| <b>Executive Officers</b>                                     |   |
| Michel Koutchouk  | See above   |
| Josyane Muller  | See above   |
| Éric Fabretti   | Executive Officer of Infotel Conseil<br>Director of Infotel UK Consulting Ltd<br>Chairman of OAIO<br>Chairman of Coach'IS<br>Manager of Collaboratif Portail Services |

### Executive Committee

The Executive Committee consists of:

- Bernard Lafforet, Chairman-Chief Executive Officer;
- Michel Koutchouk, Executive Officer;
- Josyane Muller, Executive Officer;
- Éric Fabretti, Executive Officer;
- Jean-François Castella, Vice-President, Software;
- Laetitia Fernandes, Head of Human Resources.

This Committee falls under the authority of the Chief Executive Officer and consolidates the management and duties of department heads. The Executive Committee studies the forecasts and the revenue in terms of achievement for all entities of the Group on a monthly basis.

The Executive Committee studies the income for all parts of the Group, on the basis of quarterly statements.

### *Part 2: Restrictions to the Powers of the Chief Executive Officer*

No restriction on the powers of the Chief Executive Officer is provided for, either in the Articles of Incorporation or by the Board of Directors. As a result, the Chief Executive Officer is invested with extensive powers, within the confines of the corporate purpose, to act in the name of the Company.

### Part 3: Executive Salaries

This section aims to present the remuneration policy for executive officers, i.e. **Infotel's** directors and executives, in accordance with Ordinance No. 2019-1234 of November 27, 2019 adopted pursuant to law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies ("PACTE Law").

The report of the Board of Directors on corporate governance is also intended to present the remuneration elements for the Chairman-Chief Executive Officer and the Executive Officers and outline the draft resolutions established by the Board of Directors relating to the approval of this remuneration.

**Infotel's** remuneration policy has three components:

- Remuneration policy for directors;
- Remuneration policy for the Chairman-Chief Executive Officer;
- Remuneration policy for Executive Officers.

These three components must all be submitted to the General Shareholders' Meeting in accordance with Article L.22-10-8 of the French Commercial Code.

Moreover, there is also a reminder of the reasons for the absence of a Compensation Committee. We also present here the equity ratio in accordance with the PACTE Law, as well as the draft resolutions established by the Board of Directors relating to the remuneration of executive officers.

#### 1.) Remuneration policy

Generally, **Infotel** has a responsible remuneration policy for executive officers that is in keeping with the company's interests. It is adapted to the company's commercial strategy and the environment in which it operates. It is established in accordance with applicable legal and regulatory provisions and with the recommendations of the Middledex Code.

In accordance with the PACTE Law, the remuneration policy applicable to executive officers (detailed below) will be the subject of a draft resolution submitted for the approval of the Combined Shareholders' Meeting on May 17, 2023, and whenever there is a major amendment of this policy.

In addition, pursuant to Article L.22-10-34 III of the French Commercial Code, the same shall apply with regard to the fixed, variable and exceptional remuneration elements of each corporate officer, due or granted in respect of the 2022 fiscal year, that are to be presented at the next Combined Shareholders' Meeting and submitted for a consultative vote.

##### a.) Annual remuneration policy for directors:

The remuneration policy for directors is set and reviewed by **Infotel's** Board of Directors. It is intended to remunerate only the independent directors for their time and the investment they have made with regard to their contributions to the various Board of Directors' meetings.

The principles for setting the remuneration of directors are as follows:

- the principle of granting an annual remuneration to members of the Board of Directors depends on the director's profile since a distinction is made between executive directors and non-executive directors. Accordingly, executive directors and the director representing employees receive no annual remuneration in respect of their directorship, this being reserved solely for independent directors;
- in the case of the annual remuneration allocated to independent directors, it is only allocated as from expiry of the first year of the term of office;
- the remuneration of independent directors consists exclusively of a fixed component, no variable component being granted to the director;
- an identical remuneration is allocated to each of the independent directors.

With regard to the principles for setting the remuneration presented below, the remuneration policy for directors is in keeping with the company's interests and it contributes to the sustainability of the company, while being part of its commercial strategy.

In the case of remuneration elements allocated to independent directors:

- on May 29, 2019, **Infotel's** General Shareholders' Meeting allocated an amount of €3,000 for remuneration, in respect of the 2018 fiscal year. This remuneration was allocated to H el ene Kermorgant, an independent director, by the Board of Directors on March 6, 2019, subject to being voted by the Meeting;
- on May 20, 2020, **Infotel's** General Shareholders' Meeting allocated a total amount of €6,000 for remuneration in respect of the 2019 fiscal year. Each of the two independent directors, H el ene Kermorgant and Alain Hallereau, were awarded €3,000 by the Board of Directors' meeting on March 4, 2020, subject to approval by the Shareholders' Meeting;
- on May 19, 2021, **Infotel's** General Shareholders' Meeting allocated a total amount of €6,000 for remuneration in respect of the 2020 fiscal year. Each of the two independent directors, H el ene Kermorgant and Alain Hallereau, were awarded €3,000 by the Board of Directors' meeting on March 4, 2020, subject to approval by the Shareholders' Meeting;
- on May 25, 2022, **Infotel's** General Shareholders' Meeting allocated a total amount of €6,000 for remuneration in respect of the 2021 fiscal year. Each of the two independent directors, H el ene Kermorgant and Alain Hallereau, were awarded €3,000 by the Board of Directors' meeting on March 16, 2022, subject to approval by the Shareholders' Meeting;
- it was proposed that this amount be set at the total sum of €6,000 in respect of the last fiscal year 2022. The Board of Directors' meeting on March 22, 2023 decided to allocate each of the two independent directors, H el ene Kermorgant and Alain Hallereau, the amount of €3,000, subject to approval by the Shareholders' Meeting. The allocation of this amount will therefore be the subject of a resolution submitted for the approval of the Combined Shareholders' Meeting on May 17, 2023.

b.) Remuneration policy for the Chairman-Chief Executive Officer and Executive Officers

The remuneration policy for the Chairman-Chief Executive Officer is identical to the remuneration policy for Executive Officers. It is set by the Board of Directors.

The policy for determining executive remuneration is established on the basis of the following criteria:

- the level and difficulty of responsibilities;
- experience in the position;
- seniority in the Group and
- the practices identified in companies performing similar activities.

For the years ending on December 31, 2020, 2021 and 2022, no proportional, variable, or exceptional remuneration was paid to any executive. Moreover, executives did not benefit from any remuneration in respect of their directorship.

It is noted that no executive officer received any other remuneration or any sort of benefit in kind from the companies controlled by **Infotel**, as per Article L.233-16 of the French Commercial Code.

No stock subscription or purchase options, or any instrument providing access to capital, were granted to the executive officers.

No loans, nor any guarantees, were accorded to the executive officers.

There are no arrangements, of any kind, made by the Company in favor of the executive officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

The table below and the explanations that follow provide an overview of the remuneration of **Infotel** Group's Executive Management for the past fiscal year, submitted to shareholders pursuant to the "Say on pay" policy.

All remunerations paid during the past three accounting periods, to each executive officer, are as follows, on a gross pre-tax basis:

| In euros         | 2022    | 2021    | 2020    |
|------------------|---------|---------|---------|
| Bernard Lafforet | 216,000 | 216,000 | 216,000 |
| Michel Koutchouk | 199,226 | 197,808 | 197,808 |
| Josyane Muller   | 192,000 | 192,000 | 192,000 |
|  eric Fabretti   | 239,833 | 240,000 | 210,000 |

All above remunerations are allocated to an executive officer.

Michel Koutchouk received, over the course of the last three accounting periods, a benefit in kind in the form of the use of a vehicle.

We would point out that the payment of variable and exceptional remuneration elements is subject to a positive ex-post vote and the identification of these elements. It is nonetheless stipulated that the remuneration of the **Infotel** Chairman-Chief Executive Officer and the Executive Officers comprises solely a fixed component.

## 2.) Compensation Committee

In accordance with AMF Position-Recommendation No. 2014-14, the reasons for the absence of a Compensation Committee, based on the “Comply or explain” principle, are described below.

The remuneration of the Chairman-Chief Executive Officer and Executive Officers is composed exclusively of a fixed component and does not include any variable or exceptional components.

None of these corporate officers receives remuneration or benefits in kind from companies controlled by **Infotel** within the meaning of Article L.233-16 of the French Commercial Code.

No stock-option (subscription options or stock purchase options), or instruments giving access to the capital are granted to beneficiaries having the status of corporate officers at the time the grant is made.

No loans or guarantees are granted for corporate officers.

There is no commitment of any nature whatsoever, taken by the company for the benefit of its corporate officers, corresponding to elements of remuneration, indemnities or benefits due or likely to be due to the taking up, the cessation or change of these functions or subsequent thereto.

For these reasons, the existence of a Compensation Committee was not considered appropriate.

## 3.) Equity ratio between the levels of remuneration of executive corporate officers and the average and median remuneration of employees

This equity ratio is presented in accordance with Article L.22-10-9, I, 6° of the French Commercial Code following the entry into force of the aforementioned PACTE Law, and aims to transpose the European Shareholder Rights Directive of May 17, 2017 (“SRD II”), while supplementing the system established by the “SAPIN II” law, in order to ensure compliance with the new requirements in terms of the transparency of executive remuneration.

It consists in presenting the ratio between the remuneration of each of **Infotel’s** executive corporate officers and the average and median remuneration on a full-time equivalent basis of **Infotel** employees other than corporate officers.

Furthermore, in application of the new recommendation R 16 of the Middlednext Code in its version of September 2021, over and above the aforementioned legal provision, companies should also disclose another equity ratio that compares remuneration with the French legal minimum wage, which is an independent reference value and common denominator for all companies.

This ratio must be presented for the last five fiscal years, in accordance with Article L.22-10-9, I, 7° of the French Commercial Code.

### (i) Presentation of the calculation method for the equity ratio:

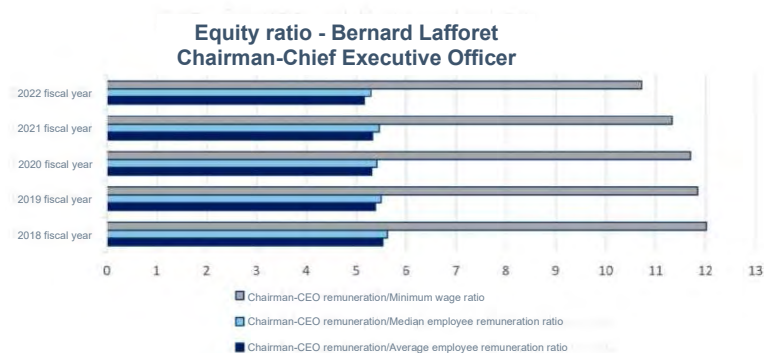
- since the remuneration of **Infotel** employees may vary from one country to another due to disparities in the cost of living between these countries, in order to ensure consistency, executives being remunerated by **Infotel SA**, the French entity, the equity ratio is therefore calculated by taking into account the remuneration of employees of all the direct and indirect subsidiaries located in France, this French scope also covering 98% of the Group’s total wage bill;
- for employees, the remuneration taken into account in the calculation is the full-time equivalent remuneration of permanent employees, regardless of the level of seniority. Therefore this calculation does not take into account part-time employees, apprentices, interns or sub-contractors;



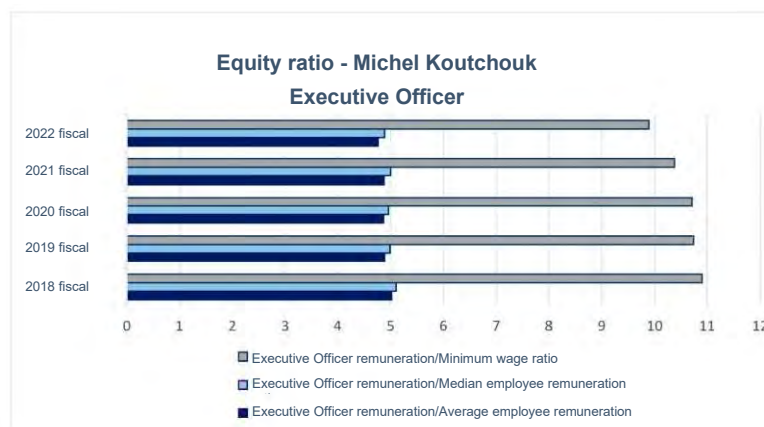
- in the case of free shares granted to employees, these are only taken into account in the calculation as from their definitive grant date.

(ii) Presentation of the equity ratio for each of the corporate officers:

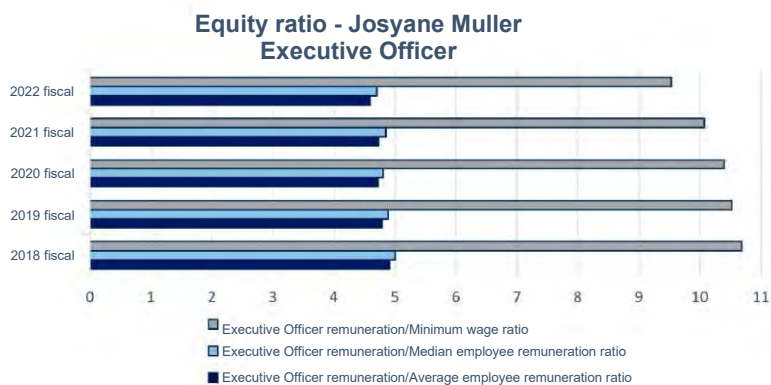
- Equity ratio relating to Bernard Lafforet, Chairman-Chief Executive Officer



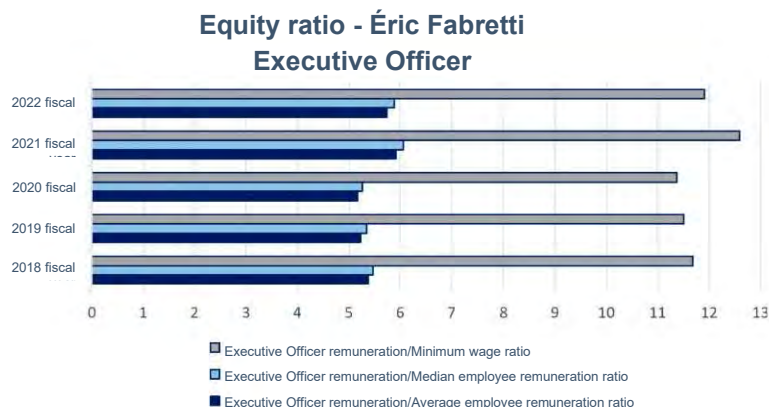
- Equity ratio relating to Michel Koutchouk, Executive Officer



- Equity ratio relating to Josyane Muller, Executive Officer



- Equity ratio relating to Éric Fabretti, Executive Officer



#### 4.) Analysis of the negative votes of non-controlling shareholders during the General Shareholders' Meeting of May 25, 2022

In accordance with Recommendation R 14 of the Middlednext Code, **Infotel** pays particular attention to negative votes by analyzing how the majority of non-controlling interests were expressed. In particular, it is important to examine how non-controlling shareholders voted on the resolution on the remuneration policy. At the General Shareholders' Meeting of May 25, 2022, of the 8,188,658 votes by shareholders present or represented at the Meeting, 811,303 votes (9.91% of the voting rights) were cast against resolution 6 relating to the remuneration policy. Assuming that non-executive shareholders are non-controlling shareholders and that they held 48.50% of the voting rights at December 31, 2021 (before the meeting), it can be concluded that the majority of non-controlling shareholders voted in favor of this resolution.

#### 5.) Draft remuneration resolutions submitted to the General Shareholders' Meeting on May 17, 2023

##### **- SIXTH RESOLUTION -**

The General Shareholders' Meeting, consulted in accordance with Article L.22-10-8 of the French Commercial Code, hereby approves the remuneration policy applicable to executive officers, as presented in the Board's report on corporate governance.

##### **- SEVENTH RESOLUTION -**

The General Shareholders' Meeting, after considering the Board of Directors' report on corporate governance, more specifically section 3 relating to the remuneration of executive officers, hereby approves, in accordance with Article L.22-10-34, I of the French Commercial Code, the information specified in Article L.22-10-9 of the French Commercial Code in respect of the fiscal year ended December 31, 2022.

##### **- EIGHTH RESOLUTION -**

The General Shareholders' Meeting, consulted in accordance with Article L.22-10-34, II of the French Commercial Code, hereby issues a favorable opinion on the elements of the remuneration due or granted in respect of the 2022 fiscal year to Bernard Lafforet, Chairman-Chief Executive Officer, as presented in the Board's report on corporate governance.

**- NINTH RESOLUTION -**

The General Shareholders' Meeting, consulted in accordance with Article L.22-10-34, II of the French Commercial Code, hereby issues a favorable opinion on the elements of the remuneration due or granted in respect of the 2022 fiscal year to Michel Koutchouk, Director and Executive Officer, as presented in the Board's report on corporate governance.

**- TENTH RESOLUTION -**

The General Shareholders' Meeting, consulted in accordance with Article L.22-10-34, II of the French Commercial Code, hereby issues a favorable opinion on the elements of the remuneration due or granted in respect of the 2022 fiscal year to Josyane Muller, Director and Executive Officer, as presented in the Board's report on corporate governance.

**- ELEVENTH RESOLUTION -**

The General Shareholders' Meeting, consulted in accordance with Article L.22-10-34, II of the French Commercial Code, hereby issues a favorable opinion on the elements of the remuneration due or granted in respect of the 2022 fiscal year to Éric Fabretti, Executive Officer, as presented in the Board's report on corporate governance.

**- TWELFTH RESOLUTION -**

The Stockholders' Meeting, after considering the Board of Directors' report on corporate governance, hereby decides to set the total amount of the remuneration granted to directors for the current fiscal year at **six thousand (6,000)** Euros.

*Part 4: Agreements concluded between an executive and a major shareholder and a subsidiary*

*(i) Agreements concluded between an executive and a major shareholder and a subsidiary*

In application of Articles L.225-37-4, 2, it is noted that no agreement took place, directly or by an intermediary person, between, on the one hand, one of the executive officers or one of the shareholders with a fraction of voting rights greater than 10% for a company, and on the other hand, another company of which the first holds directly or indirectly more than half of the capital, with the exception of agreements dealing with current operations and concluded under normal conditions.

*(iii) Procedure for assessing current agreements concluded under normal conditions*

In accordance with Law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies (PACTE Law), **Infotel** has developed a procedure for assessing current agreements concluded under normal conditions. This procedure is also intended to follow AMF Recommendation No. 2012-05 of July 2, 2012, amended on October 5, 2018.

It reiterates the legislative and regulatory framework applicable to regulated agreements as well as the methodology applied internally to classify the different agreements concluded.

This procedure was approved at the **Infotel** Board of Directors' meeting on March 4, 2020.

Part 5: Table of delegations at December 31, 2022

| AGM               | Delegation type                        | Amount granted   | Date              | Amount exercised |
|-------------------|--|--|-------------------|------------------|
| May 19, 2021      | Stock options and securities issued    | €1,350,000   | July 19, 2023     | 0                |
| May 25, 2022      | Stock repurchase                       | 10% of the capital of the Company calculated on the purchase decision date, less any shares resold as part of this authorization | November 25, 2023 | 0                |
| December 15, 2022 | Allocation of free shares to employees | 5% of the share capital at the date when the Board of Directors decides to allocate them   | February 15, 2026 | 0                |

Part 6: Elements likely to have an impact in the event of a takeover bid

**1st The capital structure of the company**

→ This is outlined in chapter 16 of the Universal Registration Document.

**2nd Statutory restrictions on exercising voting rights and share transfers or agreement clauses dealing with the knowledge of the company in application of Article L.233-11**

→ These are set out in paragraphs 19.2.4 to 19.2.9 of the Universal Registration Document.

**3rd Direct or indirect investments in the capital of the company of which it has knowledge in accordance with Articles L.233-7 and L.233-12**

→ These are outlined in chapter 16 and in paragraph 19.2.8 of the Universal Registration Document.

**4th The list of shareholders of any securities with special control rights and their description**

→ There are no securities including special control rights, with the exception of a double voting right for the benefit of shareholders registered for at least two years (paragraph 19.2.4 of the Universal Registration Document).

**5th Control mechanisms provided for in any employee share ownership share scheme, whereby the structure does not exercise the rights of control**

→ There are no control mechanisms provided for in any employee share ownership scheme whereby the structure does not exercise the rights of control.

**6th The agreements between shareholders of which the company is aware and can result in restrictions in the transfer of shares and in the exercise of voting rights**

→ There are no agreements between shareholders of which the company is aware and that can result in restrictions in the transfer of shares and in the exercise of voting rights.

**7th The rules applicable to the nomination and the replacement of members of the Board of Directors as well as the modification of the Articles of Incorporation**

→ The nomination and revocation rules of members of the Board of Directors are the legal and statutory rules set out in Article 16 of the Articles of Incorporation. The modification of the Company's Articles of Incorporation takes place in compliance with the legal and regulatory stipulations.

## 8th The powers of the Board of Directors, in particular with respect to the issuance or purchase of stock

- With respect to the Board of Directors, the delegations underway are described in the table of existing delegations, appearing in “Part 5: Table of delegations” of this report.

## 9th The agreements concluded by the company that are modified or terminated in the event of a change of control of the company, except in the event of a legal obligation to divulge, would significantly impair its legal interests

- There are no agreements concluded by the Company that are modified or that are terminated in the event of a change of control of the Company.

## 10th Agreements setting out damages for the members of the Board of Directors or the employees, if they resign or are made redundant without real and serious cause or if their employment terminates due to a public takeover or swap bid

- There are no arrangements, of any kind, made by the Company in favor of the executive officers, and which may correspond to any form of remuneration, provision of service, compensation or benefits due or liable to be due upon or after assuming, leaving or changing their position.

### *Part 7: Gender equality policy*

**Infotel** is committed to gender equality in the workplace.

In terms of equality, **Infotel** takes care to have an equal number of women and men on its teams. From January 1, 2017, the law relating to equal representation of women and men on Boards of Directors already required representation of 40% of each gender on Boards of Directors (Law No. 2011-103 of January 27, 2011 called the “Copé-Zimmermann” law). Well before this date, **Infotel’s** Board of Directors already had an equal number of female and male directors.

On March 1, 2023, **Infotel** published on its website the results of the calculation of the gender equality index, resulting from law No. 2018-771 on the freedom to choose one’s career passed on September 5, 2018 and Decree No. 2019-15 of January 8, 2019. In 2022, Infotel obtained an excellent score of 79/100, reflecting the reality and effectiveness of the actions put in place.

A gender equality plan is being implemented and provides for concrete measures to promote equal treatment of men and women. Infotel Conseil has set a goal of achieving a national female staff rate of 25% of the overall workforce within two years. **Infotel** also wants to give women access to positions of responsibility: Management Committee, Branch Manager, Project Director, etc.

In order to meet this objective, Infotel Conseil is implementing the following concrete measures:

- firstly, recruitment officers ensure that the external recruitment firms with which **Infotel** works offer an equal number of applications from men and women;
- Management recommends that, in teams where women are under-represented, when candidates have equivalent skills and qualifications, priority should be given to the female candidate, subject to an objective assessment taking into account the specific personal situations of all candidates;
- recruitment teams are trained and made aware of non-discrimination issues. A member of the HR department has also received in-depth training on this subject, and can therefore provide regular training to recruitment officers and be a point of contact on a daily basis;
- Infotel Conseil strives to promote the presence of female employees during presentations/training in universities or forums;
- In addition, Infotel Conseil has been a member of the “Elles Bougent” network since April 2021. This non-profit supports young girls in their career choices, but also holds various events to raise awareness of career opportunities in scientific and technical sectors among parents and teachers. To allow **Infotel’s** commitment to this association to take shape, mentors can use two half-days of their working time each year to participate in “Elles Bougent” initiatives;
- **Infotel** has an internal and external communication and awareness policy on these topics;
- since 2021, the Head of Human Resources has been a member of the Management Committee and the Executive Committee.

**Tables Recommended by the Financial Markets Authority on the Remuneration of Corporate Officers**

**Table 1: Summary of remunerations and options and stock granted to each Corporate Officer**

| <b>Bernard Lafforet, Chairman</b>   | <b>2020<br/>(Fiscal year<br/>N-2)</b> | <b>2021<br/>(Fiscal year<br/>N-1)</b> | <b>2022<br/>(Fiscal year<br/>N)</b> |
|---|---------------------------------------|---------------------------------------|-------------------------------------|
| Remuneration due for the fiscal year <i>(as itemized in table 2)</i>                              | €216k                                 | €216k                                 | €216k                               |
| Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>           | None                                  | None                                  | None                                |
| Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i> | None                                  | None                                  | None                                |
| <b>TOTAL</b>  | <b>€216k</b>                          | <b>€216k</b>                          | <b>€216k</b>                        |

| <b>Michel Koutchouk, Executive Officer</b>  | <b>2020<br/>(Fiscal year<br/>N-2)</b> | <b>2021<br/>(Fiscal year<br/>N-1)</b> | <b>2022<br/>(Fiscal year<br/>N)</b> |
|---|---------------------------------------|---------------------------------------|-------------------------------------|
| Remuneration due for the fiscal year <i>(as itemized in table 2)</i>                              | €198k                                 | €198k                                 | €199k                               |
| Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>           | None                                  | None                                  | None                                |
| Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i> | None                                  | None                                  | None                                |
| <b>TOTAL</b>  | <b>€198k</b>                          | <b>€198k</b>                          | <b>€199k</b>                        |

| <b>Josyane Muller, Executive Officer</b>  | <b>2020<br/>(Fiscal year<br/>N-2)</b> | <b>2021<br/>(Fiscal year<br/>N-1)</b> | <b>2022<br/>(Fiscal year<br/>N)</b> |
|---|---------------------------------------|---------------------------------------|-------------------------------------|
| Remuneration due for the fiscal year <i>(as itemized in table 2)</i>                              | €192k                                 | €192k                                 | €192k                               |
| Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>           | None                                  | None                                  | None                                |
| Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i> | None                                  | None                                  | None                                |
| <b>TOTAL</b>  | <b>€192k</b>                          | <b>€192k</b>                          | <b>€192k</b>                        |

| <b>Éric Fabretti, Executive Officer</b>   | <b>2020<br/>(Fiscal year<br/>N-2)</b> | <b>2021<br/>(Fiscal year<br/>N-1)</b> | <b>2022<br/>(Fiscal year<br/>N)</b> |
|---|---------------------------------------|---------------------------------------|-------------------------------------|
| Remuneration due for the fiscal year <i>(as itemized in table 2)</i>                              | €210k                                 | €240k                                 | €240k                               |
| Valuation of the options granted during the fiscal year <i>(as itemized in table 4)</i>           | None                                  | None                                  | None                                |
| Valuation of the performance stock granted during the fiscal year <i>(as itemized in table 6)</i> | None                                  | None                                  | None                                |
| <b>TOTAL</b>  | <b>€210k</b>                          | <b>€240k</b>                          | <b>€240k</b>                        |

**Table 2: Overview of remuneration for each executive director**

| Bernard Lafforet, Chairman         | 2020<br>(Fiscal year N-2) |              | 2021<br>(Fiscal year N-1) |              | 2022<br>(Fiscal year N) |              |
|------------------------------------|---------------------------|--------------|---------------------------|--------------|-------------------------|--------------|
|                                    | Amounts due               | Amounts paid | Amounts due               | Amounts paid | Amounts due             | Amounts paid |
| Base remuneration                  | €216k                     | €216k        | €216k                     | €216k        | €216k                   | €216k        |
| Annual variable remuneration       | None                      | None         | None                      | None         | None                    | None         |
| Multi-annual variable remuneration | None                      | None         | None                      | None         | None                    | None         |
| Exceptional remuneration           | None                      | None         | None                      | None         | None                    | None         |
| Director remuneration              | None                      | None         | None                      | None         | None                    | None         |
| Benefits in kind                   | None                      | None         | None                      | None         | None                    | None         |
| <b>TOTAL</b>                       | <b>€216k</b>              | <b>€216k</b> | <b>€216k</b>              | <b>€216k</b> | <b>€216k</b>            | <b>€216k</b> |

| Michel Koutchouk, Executive Officer | 2020<br>(Fiscal year N-2) |              | 2021<br>(Fiscal year N-1) |              | 2022<br>(Fiscal year N) |              |
|-------------------------------------|---------------------------|--------------|---------------------------|--------------|-------------------------|--------------|
|                                     | Amounts due               | Amounts paid | Amounts due               | Amounts paid | Amounts due             | Amounts paid |
| Base remuneration                   | €192k                     | €192k        | €192k                     | €192k        | €192k                   | €192k        |
| Annual variable remuneration        | None                      | None         | None                      | None         | None                    | None         |
| Multi-annual variable remuneration  | None                      | None         | None                      | None         | None                    | None         |
| Exceptional remuneration            | None                      | None         | None                      | None         | None                    | None         |
| Director remuneration               | None                      | None         | None                      | None         | None                    | None         |
| Benefits in kind                    | €6k                       | €6k          | €6k                       | €6k          | €6k                     | €7k          |
| <b>TOTAL</b>                        | <b>€198k</b>              | <b>€198k</b> | <b>€198k</b>              | <b>€198k</b> | <b>€198k</b>            | <b>€199k</b> |

| Josyane Muller, Executive Officer  | 2020<br>(Fiscal year N-2) |              | 2021<br>(Fiscal year N-1) |              | 2022<br>(Fiscal year N) |              |
|------------------------------------|---------------------------|--------------|---------------------------|--------------|-------------------------|--------------|
|                                    | Amounts due               | Amounts paid | Amounts due               | Amounts paid | Amounts due             | Amounts paid |
| Base remuneration                  | €192k                     | €192k        | €192k                     | €192k        | €192k                   | €192k        |
| Annual variable remuneration       | None                      | None         | None                      | None         | None                    | None         |
| Multi-annual variable remuneration | None                      | None         | None                      | None         | None                    | None         |
| Exceptional remuneration           | None                      | None         | None                      | None         | None                    | None         |
| Director remuneration              | None                      | None         | None                      | None         | None                    | None         |
| Benefits in kind                   | None                      | None         | None                      | None         | None                    | None         |
| <b>TOTAL</b>                       | <b>€192k</b>              | <b>€192k</b> | <b>€192k</b>              | <b>€192k</b> | <b>€192k</b>            | <b>€192k</b> |

| Éric Fabretti, Executive Officer   | 2020<br>(Fiscal year N-2) |              | 2021<br>(Fiscal year N-1) |              | 2022<br>(Fiscal year N) |              |
|------------------------------------|---------------------------|--------------|---------------------------|--------------|-------------------------|--------------|
|                                    | Amounts due               | Amounts paid | Amounts due               | Amounts paid | Amounts due             | Amounts paid |
| Base remuneration                  | €210k                     | €210k        | €240k                     | €240k        | €240k                   | €240k        |
| Annual variable remuneration       | None                      | None         | None                      | None         | None                    | None         |
| Multi-annual variable remuneration | None                      | None         | None                      | None         | None                    | None         |
| Exceptional remuneration           | None                      | None         | None                      | None         | None                    | None         |
| Director remuneration              | None                      | None         | None                      | None         | None                    | None         |
| Benefits in kind                   | None                      | None         | None                      | None         | None                    | None         |
| <b>TOTAL</b>                       | <b>€210k</b>              | <b>€210k</b> | <b>€240k</b>              | <b>€240k</b> | <b>€240k</b>            | <b>€240k</b> |

**Table 3: Table on the remuneration of directors**

| <b>Board members</b> | <b>Amounts paid during the year N-2</b> | <b>Amounts paid during the year N-1</b> | <b>Amounts paid during the year N</b> |
|----------------------|---|---|---------------------------------------|
| Bernard Lafforet     | None                                    | None                                    | None                                  |
| Michel Koutchouk     | None                                    | None                                    | None                                  |
| Josyane Muller       | None                                    | None                                    | None                                  |
| Hélène Kermorgant    | €3k                                     | €3k                                     | €3k                                   |
| Alain Hallereau      | €3k                                     | €3k                                     | €3k                                   |
| <b>TOTAL</b>         | <b>€6k</b>                              | <b>€6k</b>                              | <b>€6k</b>                            |

**Table 4: Stock options granted to each Executive Officer during the fiscal year by the issuer and any other Group company**

| <b>Name of the Executive Corporate Officer</b> | <b>Plan no. and date</b> | <b>Type of options (purchase or subscription)</b> | <b>Valuation of the options according to the method selected for the consolidated financial statements</b> | <b>Number of options granted during the fiscal year</b> | <b>Exercise price</b> | <b>Fiscal year period</b> |
|--|--------------------------|---|--|---|-----------------------|---------------------------|
| Bernard Lafforet                               | None                     | None  | None   | None  | None                  | None                      |
| Michel Koutchouk                               | None                     | None  | None   | None  | None                  | None                      |
| Josyane Muller                                 | None                     | None  | None   | None  | None                  | None                      |
| Éric Fabretti                                  | None                     | None  | None   | None  | None                  | None                      |
| <b>TOTAL</b>                                   | <b>None</b>              | <b>None</b>                                       | <b>None</b>  | <b>None</b>   | <b>None</b>           | <b>None</b>               |

**Table 5: Stock options exercised during the fiscal year by each Executive Corporate Officer**

| <b>Name of the Executive Corporate Officer</b> | <b>Plan no. and date</b> | <b>Number of options exercised during the fiscal year</b> | <b>Exercise price</b> |
|--|--------------------------|---|-----------------------|
| Bernard Lafforet                               | None                     | None  | None                  |
| Michel Koutchouk                               | None                     | None  | None                  |
| Josyane Muller                                 | None                     | None  | None                  |
| Éric Fabretti                                  | None                     | None  | None                  |
| <b>TOTAL</b>                                   | <b>None</b>              | <b>None</b>   | <b>None</b>           |

**Table 6: Performance stocks granted to each Executive Corporate Officer**

| <b>Performance stocks granted during the fiscal year to each Executive Corporate Officer by the issuer and any other Group company (list of names)</b> | <b>Plan no. and date</b> | <b>Number of options granted during the fiscal year</b> | <b>Valuation of the options according to the method selected for the consolidated financial statements</b> | <b>Acquisition date</b> | <b>Vesting date</b> | <b>Performance conditions</b> |
|--|--------------------------|---|--|-------------------------|---------------------|-------------------------------|
| Bernard Lafforet   | None                     | None  | None   | None                    | None                | None                          |
| Michel Koutchouk   | None                     | None  | None   | None                    | None                | None                          |
| Josyane Muller   | None                     | None  | None   | None                    | None                | None                          |
| Éric Fabretti  | None                     | None  | None   | None                    | None                | None                          |
| <b>TOTAL</b>   | <b>None</b>              | <b>None</b>   | <b>None</b>  | <b>None</b>             | <b>None</b>         | <b>None</b>                   |



**Table 7: Performance stock vested for each Executive Corporate Officer**

| Performance stocks vested for each Executive Corporate Officer | Plan no. and date | Number of shares vested during the fiscal year | Acquisition date | Vesting date | Acquisition terms |
|--|-------------------|--|------------------|--------------|-------------------|
| Bernard Lafforet   | None              | None   | None             | None         | None              |
| Michel Koutchouk   | None              | None   | None             | None         | None              |
| Josyane Muller   | None              | None   | None             | None         | None              |
| Éric Fabretti  | None              | None   | None             | None         | None              |
| <b>TOTAL</b>   | <b>None</b>       | <b>None</b>                                    | <b>None</b>      | <b>None</b>  | <b>None</b>       |

**Table 8: Employment contracts, top-up pension schemes, benefits or payments due or likely to fall due owing to the termination of or change in an appointment, compensation under a non-compete clause**

| Executive Corporate Officers                       | Employment contract |                                     | Top-up pension scheme |                                     | Benefits or payments due or likely to fall due owing to the termination of or change in an appointment. |                                     | Compensation under a non-compete clause |                                     |
|--|---------------------|-------------------------------------|-----------------------|-------------------------------------|---|-------------------------------------|---|-------------------------------------|
|  | Yes                 | No                                  | Yes                   | No                                  | Yes   | No                                  | Yes                                     | No                                  |
| <b>Bernard Lafforet</b><br>Chief Executive Officer |                     | <input checked="" type="checkbox"/> |                       | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |
| <b>Michel Koutchouk</b><br>Executive Officer       |                     | <input checked="" type="checkbox"/> |                       | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |
| <b>Josyane Muller</b><br>Executive Officer         |                     | <input checked="" type="checkbox"/> |                       | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |
| <b>Éric Fabretti</b><br>Executive Officer          |                     | <input checked="" type="checkbox"/> |                       | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |   | <input checked="" type="checkbox"/> |

**Table 9: History of stock options granted**

| INFORMATION ON STOCK OPTIONS   |      |
|--|------|
|  | Plan |
| Meeting date   | None |
| Date of Board of Directors' Meeting  | None |
| Total number of shares that can be taken up or purchased, including the number that can be taken up or purchased by the corporate officers | None |
| - Bernard Lafforet, Chief Executive Officer  | None |
| - Michel Koutchouk, Executive Officer  | None |
| - Josyane Muller, Executive Officer  | None |
| - Éric Fabretti, Executive Officer   | None |
| First stock option exercisable date  | None |
| Expiration date  | None |
| Issue or offer price   | None |
| Terms of exercise (where the plan includes several tranches)   | None |
| Number of shares taken up as of December 31, 2022  | None |
| Total number of stock options canceled or lapsed   | None |
| Stock options remaining at the end of the fiscal year  | None |

**Table 10: Stock options granted for the top 10 non-executive officer employees and options exercised**

|  | Total number of stock options | Weighted average price | Plan |
|--|-------------------------------|------------------------|------|
| Stock options granted during the fiscal year by <b>Infotel</b> and any company within the scope of granting stock options, to the ten employees of Infotel and any company included in this scope, for which the number of options granted is the highest (global information) | None                          | None                   | None |
| Stock options held for <b>Infotel</b> and the companies mentioned above, exercised during the fiscal year by the ten employees of the issuer and these companies with the highest number of options purchased or subscribed (global information)                               | None                          | None                   | None |

**Table 11: History of assignment of free shares**

| INFORMATION ON STOCK GRANTED FREELY  |      |
|--|------|
|  | Plan |
| Meeting date   | None |
| Date of Board of Directors' Meeting  | None |
| Total number of shares that can be taken up or purchased, including the number that can be taken up or purchased by the corporate officers | None |
| - Bernard Lafforet, Chief Executive Officer  | None |
| - Michel Koutchouk, Executive Officer  | None |
| - Josyane Muller, Executive Officer  | None |
| - Éric Fabretti, Executive Officer   | None |
| Vesting date of shares   | None |
| End of lock-in date for shares   | None |
| Number of shares taken up as of December 31, 2022  | None |
| Total number of shares canceled or lapsed  | None |
| Free shares remaining at the end of the fiscal year  | None |

## 15. EMPLOYEES

### 15.1. WORKFORCE

The changes in the workforce are shown in the table below:

|   | 2022  | 2021  | 2020  |
|---|-------|-------|-------|
| Voluntary departure rate (in%)          | 12.4  | 10.5  | 9.0   |
| Average workforce in the Group          | 1,827 | 1,704 | 1,675 |
| Average annual salary in the Group (€k) | 45.0  | 43.8  | 42.6  |
| Apprenticeships                         | 160   | 68    | 14    |
| Professional training contract          | 114   | 92    | 118   |
| Average permanent workforce             | 1,619 | 1,590 | 1,597 |
| Executive management                    | 4     | 4     | 4     |
| Sales personnel                         | 113   | 99    | 95    |
| Administration personnel                | 41    | 37    | 36    |
| Engineers                               | 1,488 | 1,400 | 1,404 |
| Technicians                             | 227   | 124   | 139   |

This table does not include sub-contracting.

The inter-contract rate in the Service activity is defined in days with regard to the potential activity time (excluding vacations, unpaid leave and reduced working hours) of employees that is directly chargeable.

|                     | 2022 | 2021 | 2020 |
|---------------------|------|------|------|
| Inter-contract rate | 0.9% | 1.8% | 3.2% |

### 15.2. EMPLOYEE PROFIT-SHARING AND INCENTIVE PLANS

| Fiscal year  | 2022       | 2021       | 2020       | 2019       | 2018       |
|--|------------|------------|------------|------------|------------|
| Employee profit-sharing for the fiscal year of Infotel Conseil | €3,739,136 | €2,946,263 | €1,757,748 | €2,926,712 | €1,834,898 |
| Employee profit-sharing for the fiscal year of OAIO            | €333,859   | €235,242   | €177,012*  | €183,100*  | €197,719   |

(\* includes the profit-sharing of Infotel Business Consulting)

At OAIO, employee profit-sharing was calculated for the first time in respect of the 2019 fiscal year, in accordance with legal provisions, and amounted to €123,495. Profit-sharing amounted to €235,242 for 2021 and €333,859 for the 2022 fiscal year.

### 15.3. EMPLOYEE SHARE OWNERSHIP

In accordance with the terms of Article L.225-102 of the French Commercial Code, **Infotel** Group employees held 78,629 shares representing 1.14% of **Infotel's** capital stock through the company saving plan on January 13, 2023. Pursuant to the same article, it should be noted that on December 31, 2022, no employees of the **Infotel** Group held registered shares acquired in the following conditions:

- Acquired in accordance with profit sharing, including those that are no longer in a period of non-transferability;
- Acquired following a privatization operation;
- Resulting from free allocations within the context of Article L.22-10-59, paragraph 2 of the French Commercial Code;
- Taken up at the time of increases in capital reserved for employees within the context of Article L.225-187 of the French Commercial Code before its repeal by the French law of February 20, 2001, on employee savings.

Share ownership among executive management is detailed in paragraph 16.1 “Changes in the Breakdown of Capital Stock over the Last Three Years” on page 105.

## **15.4. STOCK OPTION PLAN AND FREE SHARE PLAN**

### **15.4.1. Stock Option Plan**

There is currently no stock option plan implemented in the Company.

#### **Allocations and options exercised in 2022 by the top 10 non-executive officer employees**

| <b>Stock options granted for the top 10 non-executive officer employees and options exercised</b>  | <b>Total number of stock options</b> | <b>Weighted average price</b> | <b>Plan</b> |
|--|--------------------------------------|-------------------------------|-------------|
| Stock options granted during the fiscal year by <b>Infotel</b> for which the number granted is the highest   | None                                 | None                          | None        |
| Stock options held for <b>Infotel</b> and the companies mentioned above, exercised during the fiscal year by the ten <b>Infotel</b> employees with the highest number of options purchased or subscribed | None                                 | None                          | None        |

### **15.4.2. Free Share Plan**

#### **15.4.2.1. History of free share plans**

- Free share plan No. 1 (Board of Directors’ meeting on May 23, 2006)
- Free share plan No. 2 (Board of Directors’ meeting on October 10, 2007)
- Free share plan No. 3 (Board of Directors’ meeting on January 23, 2019)
- Free share plan No. 4 (Board of Directors’ meeting on January 23, 2020)
- Free share plan No. 5 (Board of Directors’ meeting on October 21, 2020)

#### **15.4.2.2. Current free share plans**

- The Combined Shareholders’ Meeting of May 31, 2018 authorized the Board of Directors, for a maximum period of 38 months, to allocate on one or more occasions free existing or new shares in **Infotel**, in order to ensure the sustainability of the company. It being specified that the number of free shares may not exceed 5% of the capital stock, at the date of the Board of Directors’ decision to grant them.
- Based on this authorization, the Board of Directors’ meeting on January 23, 2019 decided to provisionally allocate an initial tranche of 77,497 shares for 7 people, within the framework of “Free share plan No. 3”. These shares are subject to a vesting period of one (1) year as from their provisional allocation by the Board of Directors on January 23, 2019.
- The Board of Directors met on January 23, 2020, at the end of the one-year vesting period, in order to proceed with the issue of shares pursuant to “Free share plan No. 3” through a deduction from reserves. As from this date, the beneficiaries of free shares must observe a minimum share retention period of three (3) years.
- The same day, the Board of Directors also decided to provisionally allocate a second tranche of 86,823 shares for seven people, under “Free share plan No. 4”.
- The Board of Directors’ meeting on October 21, 2020 decided to provisionally allocate a third tranche of 69,283 shares for six people, under “Free share plan No. 5”. These shares are subject to a vesting period of one (1) year as from their provisional allocation by the Board of Directors on October 21, 2020.
- The Board of Directors met on January 27, 2021, at the end of the one-year vesting period, in order to proceed with the issue of shares pursuant to “Free share plan No. 4” through a deduction from reserves. As from this date, the beneficiaries of free shares must observe a minimum share retention period of three (3) years.
- The Board of Directors met on October 21, 2021, at the end of the one-year vesting period, in order to proceed with the issue of shares pursuant to “Free share plan No. 5” through a deduction from reserves. As from this date, the beneficiaries of free shares must observe a minimum share retention period of three (3) years.

- The Combined Shareholders' Meeting of December 15, 2022 authorized the Board of Directors, for a maximum period of 38 months, to allocate on one or more occasions free existing or new shares in **Infotel**, in order to ensure the sustainability of the company. It being specified that the number of free shares may not exceed 5% of the capital stock, at the date of the Board of Directors' decision to grant them.

## 15.5. REPORT ON CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CSR) – CORPORATE SOCIAL INFORMATION

### 15.5.1. Summary

| Corporate Social Information                                       | 2022  | 2021  |
|--|---|---|
| Total workforce at December 31 <sup>(1)</sup>                      | 1,869   | 1,672   |
| Hires (permanent and professional training contracts)              | 545   | 364   |
| Contract staff   | 0   | 0   |
| Departures (permanent and professional training contracts)         | 348   | 314   |
| Redundancies (economic and other reasons)                          | 4   | 13  |
| Additional contract hours  | 100 per year or 2.75 per week according to function | 100 per year or 2.75 per week according to function |
| External labor   | None  | None  |
| Staff restructuring plan   | None  | None  |
| Work time organization   | Annualization of working time at 90%                | Annualization of working time at 90%                |
| Work time duration   | 37.20 or 37.75 hours per week                       | 37.20 or 37.75 hours per week                       |
| Part time duration (average)                                       | 30.1 hours per week                                 | 30.1 hours per week                                 |
| Absenteeism reasons and rate                                       | Sickness, workplace accidents, maternity: 2.85%     | Sickness, workplace accidents, maternity: 2.5%      |
| Average pay including bonuses (excluding executives)               | €45,024/year  | €43,793/year  |
| Change in individual base pay during the year                      | +5.4% on average                                    | +1.1% on average                                    |
| Social security costs  | 43% of wages  | 41% of wages  |
| Incentive plans  | None  | None  |
| Profit sharing   | 4/7 coefficient                                     | 4/7 coefficient                                     |
| Company savings plan   | Yes, included in shareholding                       | Yes, included in shareholding                       |
| Gender equality: average salary <sup>(2)</sup>                     | 2.9% more for men                                   | 3.6% more for men                                   |
| Equality: middle qualification (C2.2) salary                       | 0.2%  | 0.1%  |
| Collective bargaining agreements <sup>(3)</sup>                    | Reduction of work time                              | Reduction of work time                              |
| Health and safety  | 1 Social & Econ. Committee, occup. illness: none    | 1 Social & Econ. Committee, occup. illness: none    |
| Workplace accidents and commuting accidents with absence from work | 11  | 1   |
| Training   | €2,345k, or 2.06% of payroll costs                  | €2,138k, or 2% of payroll costs                     |
| Disabled workers   | 34  | 26  |
| Company welfare service  | €148k (Social & Econ. Committee)                    | €158k (Social & Econ. Committee)                    |
| Sub-contracting  | 54.5% of total payroll + sub-contracting amount     | 50.6% of total payroll + sub-contracting amount     |
| Territorial impact   | None  | None  |
| Relationship with associations                                     | Elles Bougent                                       | None  |
| Sub-contracting abroad   | <0.5%   | 1%  |
| Impact on local development abroad                                 | None  | None  |

(1): The difference between the Group's employees in France and employees worldwide, less than 2%, is not significant and justifies their exclusion from the data mentioned in this chapter. The data included in this table includes France and Monaco since 2019 except for the "Absenteeism reasons and rate" indicator, which covers the scope of Infotel Conseil only.

(2): This very slight difference is deemed non significant.

(3): A company agreement relating to reducing and organizing work time was signed on March 3, 2009, with the Works Committee for an indeterminate period of time.

### **15.5.2. Combating Discrimination in the Workplace**

Pursuant to the provisions of Articles L.22-10-36 paragraph 5 and R.225-105-1 of the French Commercial Code, this section contains the Company's commitments to providing equal opportunities and promoting diversity in the workplace. They are in line with French legislation and concern 98% of the Group's employees: Thus, issues such as the freedom of association and the right to collective bargaining, the elimination of forced labor and the abolition of child labor, have not been dealt with as the **Infotel** Group is located in countries that represent little risk concerning these points.

As the table above illustrates, equality between men and women has been respected. Furthermore, the Group has defined an employment policy on age and implemented an action plan.

### **15.5.3. Training Policy**

The number of internship hours fulfilled for 2022 was 83,834.

The Group's training system is managed locally by the recruitment teams. This makes it possible to implement a training policy that best meets the needs of the business lines and customers. At the same time, employees' wishes are taken into account, particularly during professional interviews.

Following further consideration of the organization of training, a training and skills development manager was appointed at Infotel Conseil in order to support recruiters and implement tools such as business line mapping to anticipate developments specific to the activities of digital service companies.

This synergy enabled us to increase the number of apprenticeship contracts by 135% in 2022.

In the last quarter of 2022, **Infotel** prepared the launch of the Infotel Conseil Learning management system (LMS), an e-learning platform that will enable the creation and sharing of e-learning training programs.

### **15.5.4. Health and Safety policy / Quality of Life at Work**

**Infotel's** Occupational Health and Safety and Quality of Life at Work Policy is implemented in accordance with local legal and regulatory requirements, particularly in France.

#### *Health and safety policy*

Infotel Conseil has a Social and Economic Committee (CSE) and a Health, Safety and Working Conditions Commission (CSSCT), in charge of ensuring the application of this occupational health and safety policy.

Every year, a joint visit of all sites is organized with an elected employee representative and a member of Management.

We have close direct relationships with each Occupational Health Department we work with.

**Infotel** Group's activities do not incur any specific risks in terms of workplace accidents. Accident rates at work and while commuting are low. Accidents occur most often during commuting.

All employees are made aware of safety guidelines on their arrival and a dedicated notice is placed in the booklets given out on employee arrival and in the various documents displayed in the buildings.

The main risk factor identified concerns posture at employee workstations and the use of computer monitors.

**Infotel** works with an external service provider who visits each branch every year to perform checks and train employees on various subjects (occupational health and safety, fire safety, use of defibrillators, etc.).

In 2022, the management of the health crisis was still ongoing, although the health protocol was drastically reduced by the government in March 2022. Further to this government decision, locally designated Covid-19 officers are still present to provide support to employees and ensure the Group's simplified rules are properly applied.

#### *Quality of life at work*

Management has put in place a number of projects aimed at promoting a balance between employees' professional and private lives.

First of all, a quality of life at work plan was implemented unilaterally. This plan also established the new "leave donation" system at Infotel Conseil in 2021, enabling solidarity between employees.

Also, to maintain teleworking within Infotel Conseil after it was rolled out in the exceptional situation arising with the Covid-19 epidemic, a teleworking charter was signed in December 2021 and implemented on a wide scale in 2022. The charter offers three forms of teleworking, with the aim of being flexible in order to adapt to the needs of the company, our customers and the expectations of employees while maintaining the collective work dynamic. A contract amendment setting out teleworking days for the week or month may be signed, depending on each particular situation.

To support all employees in this way of working, a teleworking guide and Q&A are available to employees. These documents also aim to raise employee awareness of best practices to adopt in order to avoid psychosocial risks and/or musculoskeletal disorders.

In addition, from the beginning of the crisis, the Group set up a fully confidential external counseling service to support employees. This service has been maintained employees can contact it at any time, free of charge.

Finally, since 2021, Infotel Conseil set up a plan for persons with disabilities that aims to integrate all employees, regardless of their situation. This plan includes, in particular, the appointment of two disability officers, the possibility of job adjustments, a one-day leave of absence to apply for recognition as a disabled worker, and finally vouchers for the employment of in-home help (CESU vouchers) fully funded by Infotel Conseil.

This policy has made it possible to increase the number of people with disabilities by 31%.

Meanwhile, other projects have been implemented to promote the dissemination and availability of information and the automation of HR processes.

#### **15.5.5. Organizing Social Dialog, Particularly Employee Information and Consultation Procedures and Employee Negotiations**

Social dialog remains a major issue to support the Group's development.

Each year, **Infotel** organizes mandatory negotiations on the following topics: remuneration/working hours/sharing of added value and gender equality/quality of life at work.

In addition to these regular discussions, negotiations focused on teleworking and career management. Social and Economic Committee (CSE) and a Health, Safety and Working Conditions Commission (CSSCT) are responsible for communication between management and employees.

Accordingly, management and staff representatives meet regularly: at least once a month with the CSE and once every quarter with the CSSCT.

This policy of organizing social dialog is part of efforts to increase employees' sense of belonging to the company and to rally everybody around the Group's strategic development plan.



## **15.6. METHODOLOGICAL NOTE ON CORPORATE, ENVIRONMENTAL AND SOCIAL INFORMATION**

### **15.6.1. Scope of CSR Reporting**

The scope of social reporting covers the employees of the **Infotel** Group in France and Monaco registered with Infotel Conseil (92.4%), OAI0 (4.2%) and Infotel Monaco (3.4%) as of December 31, 2022. For the indicator on the absenteeism rate, the scope covered corresponds to Infotel Conseil only.

The scope of environmental reporting covers the sites in France and Monaco, representing 98% of the Group workforce.

The Monaco branch is not included in the waste reporting scope.

Given that the employees of subsidiaries abroad represent less than 2% of the Group's total employees, their impact is deemed not significant and as a result they are not integrated in the social and environmental indicators presented in this report.

### **15.6.2. CSR Indicators**

In accordance with Ordinance No. 2017-1162 of July 12, 2017 and its Implementing Decree No. 2017-1174 of July 18, 2017 (replacing the "Grenelle II" scheme on CSR by an extra-financial performance declaration) the **Infotel** Group has made a great effort to provide maximum transparency with regard to the information concerning its extra-financial information. In accordance with the "Comply or explain" principle provided by the law, the **Infotel** Group does acknowledge that a limited amount of information is not included in this document: freedom of association and the right to collective bargaining, elimination of forced labor and the abolition of child labor. The main reasons may be the absence of reliable indicators on these issues to date, or the lack of relevance of certain issues with regard to the Group's activities, size and geographical location. The selected CSR indicators therefore meet a criterion of materiality and relevance in relation to the activities of the **Infotel** Group.

### **15.6.3. Specific Points by Indicator**

Energy consumption: this is the quantity of energy bought directly by the entity.

GHG emissions from business travel: the methodology for calculating this item has changed. A specialist external body, the CITEPA, calculated 2019 emissions when conducting the regulatory greenhouse gas emission assessment, while for 2020, 2021 and 2022, the calculation was performed by **Infotel** using data provided by the transport agencies. Monaco GHG emissions are not included in 2022 data.

Total workforce and distribution by gender, age and geography: this means all of the employees making up the workforce at the end of the fiscal year, irrespective of the type of work contract (excluding interns, temporary staff and sub-contractors). Employees leaving the Group at December 31 are not included in the workforce.

Total intake: this is the total number of hires during the company's fiscal year. The eligible population is that used in the "total employees" indicator.

Total departures: this is the total number of departures during the company's fiscal year. The eligible population is that used in the "total employees" indicator. Employees leaving the Group on December 31 are recorded as departures.

Number of accidents: this is the total number of accidents:

- A work accident is considered to be any accident occurring suddenly from or during the course of work and giving rise to official justification;
- Accidents occurring during travel for business reasons or during the commute regularly used by the employee between home and work are recognized as "commuting accidents".

Absenteeism: this is the total number of working days of absence during the fiscal year for the following reasons:

- Absences for family or parental reasons: maternity leave, parental leave, leaves authorized for family events (marriages, funerals, etc.);
- Absence for personal reasons: company creation; sabbaticals, unpaid leave;
- Absence for illness or non-occupational accidents;
- Absence for "occupational diseases" or "commuting accidents".

Training hours: excluding training performed by **Infotel** employees for **Infotel** employees. The hours of training recorded correspond to the hours that were billed over the period. Interns' training hours are included.

#### **15.6.4. Verification of Information**

Pursuant to Article L.22-10-36 of the French Commercial Code, **Infotel** has appointed Deloitte et Associés as an independent third-party organization in charge of verifying the CSR information for 2020 published in the Management Report.

The report of the independent third party concerning the presence and sincerity of the CSR information will be published on **Infotel's** website.

#### **15.7. EXTRA-FINANCIAL PERFORMANCE DECLARATION**

In accordance with Article L.22-10-36 of the French Commercial Code, we hereby present the Extra-Financial Performance Declaration, following the transposition of European Directive 2014/95/EU by Ordinance No. 2017-1162 of July 12, 2017 and its Implementing Decree No. 2017-1174 of July 18, 2017. This declaration replaces the CSR (Social, societal and environmental responsibility) report resulting from the "Grenelle II" procedure.

This Extra-Financial Performance Declaration is intended to present a description of the business model, an analysis of the main risks and the reasonable policies and procedures implemented to better understand the identified risks.

Certain CSR information that falls under the Extra-Financial Performance Declaration is already presented in the Universal Registration Document Management Report and the relevant paragraphs are therefore referred to below. For the sake of consistency for those reading this Universal Registration Document, the terms "Corporate Social Responsibility" or "CSR" have not been replaced by the term "Extra-Financial Performance Declaration" within these referenced paragraphs.

In addition, further information covering these areas is presented below in paragraph 17.7.:

- details of the measures taken for the benefit of disabled persons, following implementation of Law No. 2018-771 of September 5, 2018 defending the right to choose one's professional future;
- combating corruption following implementation of the so-called "Sapin II" Law;
- combating tax evasion following implementation of Law No. 2018-898 passed on October 23, 2018 concerning measures to combat tax, social and customs fraud.

##### **15.7.1. Business Model**

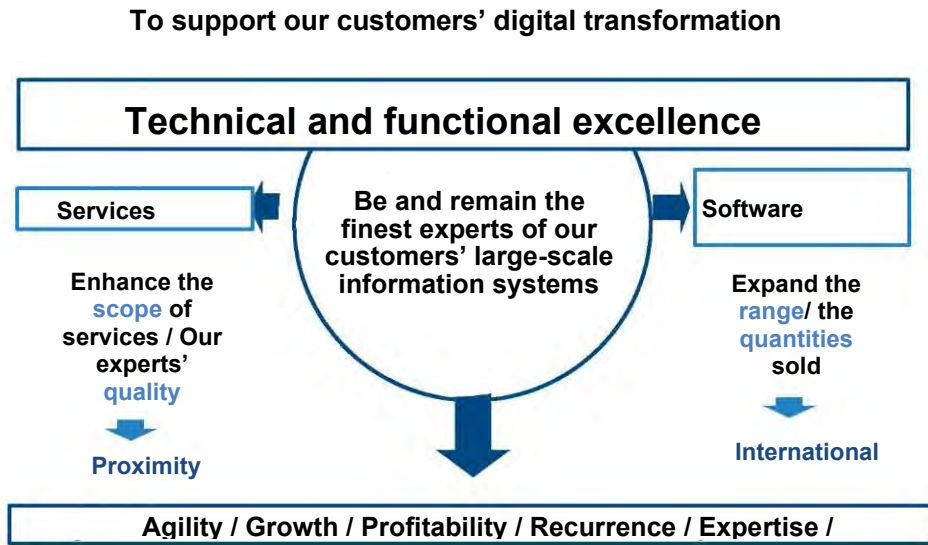
**Infotel's** business model information is presented in detail in chapters 5 "Overview of Activities" and 6 "Organizational structure" of this Universal Registration Document. The following topics are covered:

- activity;
- business environment;
- organization and structure;
- resources;
- market on which **Infotel** operates;
- goal and value creation strategies;
- results;
- trends and future prospects.

**Infotel's** business model can be divided into three parts:

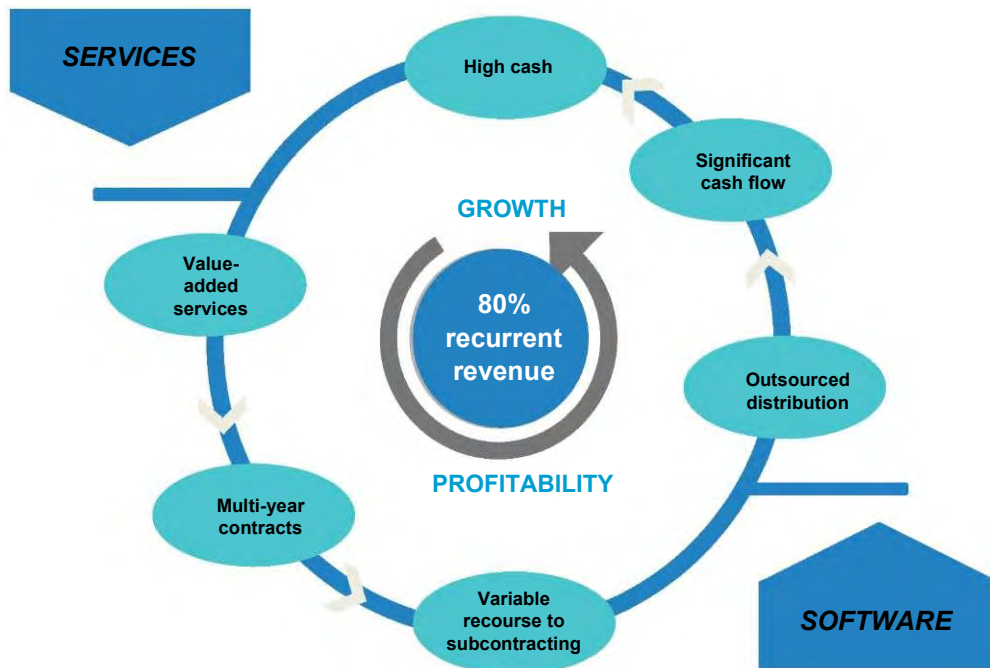
**15.7.1.1. Operational Model**

This shows how Services and Software, are related to the values of excellence on which customer transformation is built.



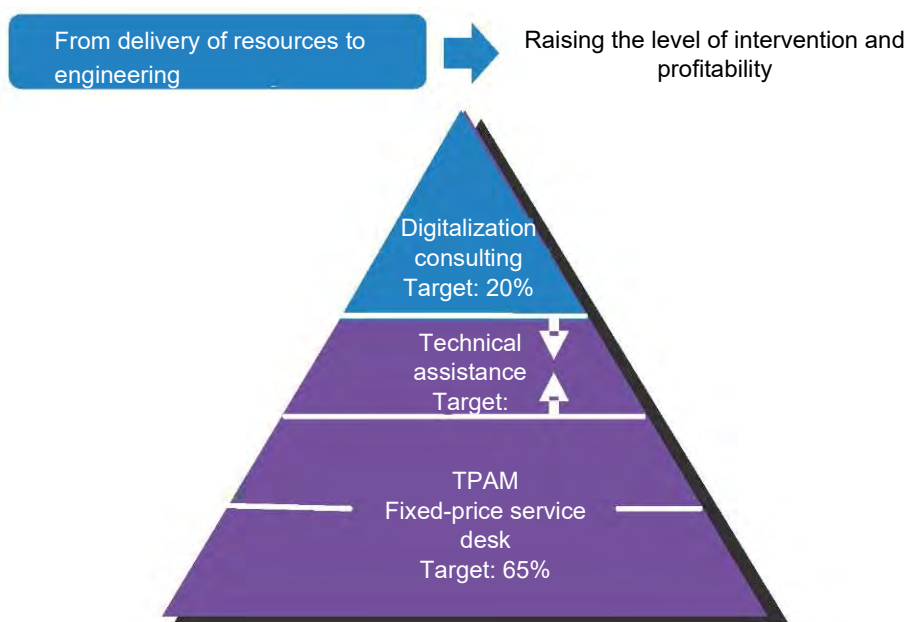
**15.7.1.2. Economic Model**

It demonstrates how the complementary nature of the two activities contributes to the company's profitability and growth.



### 15.7.1.3. Business Model

This demonstrates that upgrading businesses ensure activities' sustainability and complementarity. The summit of the pyramid brings profitability while its base brings recurrent business.



### 15.7.2. Analysis of the Main Extra-Financial Risks and Presentation of the Policies and Reasonable Diligence Implemented to Offset These Risks

The analysis of the main extra-financial risks was based on working sessions and dialog between the Group's governing body and its employees, in particular the Quality Manager. The analysis carried out made it possible to identify the risks inherent to its activity in several areas: social, societal and environmental.

All of these extra-financial risks are summarized in section 15.7.2.7 "Risk Matrix", making it possible to swiftly identify these risks, which are detailed in the following paragraphs:

#### 15.7.2.1. Social/Societal

The social and societal risks incurred by **Infotel** are set out in sections 3.9 "Report (CSR) on Corporate Commitment to Sustainable Development" and 15.5 "Report on Corporate Social and Environmental Responsibility (CSR) – Corporate Social Information". The policies and reasonable diligence adopted to address these risks are also presented. The following topics are addressed: Gender equality, elimination of discrimination in employment and occupation, training policy, health and safety policy, organization of social dialog, relationships with people or organizations interested in **Infotel's** activity, outsourcing / suppliers and fair practices.

**Infotel** has approached **Agefiph** (a non-profit promoting the employment of persons with disabilities) to share employment opportunities and offer career openings in the Group. **Infotel** pays particular attention to employees with disabilities, adapting their workstation in consultation with the recommendations of occupational health and ergonomics practitioners.

Wherever it expands, **Infotel** makes sure the premises are accessible to people with disabilities.

In 2020, **Infotel** decided to strengthen its action to facilitate the professional integration of persons with disabilities, in particular for Infotel Conseil.

To do this, Infotel Conseil is supported by a specialized firm. Between May 2020 and February 2021, more than 350 Infotel Conseil employees met with consultants from this firm to discuss and learn about disability issues. The initiative was appreciated by all participants surveyed. It has raised employee awareness of this subject. At the same time, two disability officers were appointed to roll out the company's ambitions on a daily basis.

This allows us to promote the actions taken by the company for employees and applicants.

#### 15.7.2.2. Environment

The environmental risks incurred by **Infotel** are set out in sections 3.5 “Industrial and Environmental Risk”, 3.8 “Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information” and 3.9 “Report (CSR) on Corporate Commitment to Sustainable Development”. The policies and reasonable diligence adopted to address these risks are also presented.

#### 15.7.2.3. Human Rights

Wherever it operates, **Infotel** conducts its development with regard to fundamental human and social rights while also respecting the environment.

None of the countries where **Infotel** operates breach human rights and fundamental freedom.

**Infotel** respects the ten principles of the UN Global Compact.

Accordingly, particular attention is paid to the working conditions of all of the Group’s employees, as well as those of its sub-contractors. In the 2023 ESG (environment, social, governance) ranking of the most sustainable companies in France published by the magazine “Le Point” on November 17, 2022, **Infotel** came 60th in the national ranking and 5th in the IT and telecommunications sector.

#### 15.7.2.4. Anti-Corruption

French Law No. 2016-1691 of December 9, 2016 on transparency, the fight against corruption and the modernization of the economy, known as the “Sapin II” law, introduces various structural measures to increase the transparency of groups and companies.

This year, **Infotel’s** Executive Management was reminded of the risks of corruption and influence peddling to which employees are exposed.

**Infotel** condemns corruption in all its forms and ensures that its leaders and employees are involved in upholding this principle. The aim is to reject any tolerance for corruption, an objective that must be shared by the Group, its employees and its stakeholders.

As such, **Infotel** has appointed a Compliance Manager, who is in charge of deploying the anti-corruption system within the Group.

**Infotel** analyzed the reality of this risk and produced a risk map that is reviewed each year by Executive Management.

In addition, an Anti-Corruption Code of Conduct has been incorporated into the company’s internal rules and a whistleblowing system has been set up within the **Infotel** Group.

Law no. 2022-401 of March 21, 2022, known as the Wasserman Law, aimed at improving the protection of whistleblowers, has been incorporated into the anti-corruption system.

#### 15.7.2.5. Combating Tax Evasion

In its drive to combat tax evasion, **Infotel** ensures its operations fully comply with current legislation and tax regulations. Furthermore, its subsidiaries transparently communicate their tax returns in those countries where they are subject to this obligation.

Tax evasion is not identified as being likely to put the Group’s operations or reputation at any risk.

#### 15.7.2.6. Personal Data - GDPR Compliance

The European General Data Protection Regulation (GDPR) came into force on May 25, 2018.

**Infotel** recognizes the importance of protecting its own data and the data of its stakeholders, customers and suppliers. To this end, it has taken the following measures:

- appointment of a DPO registered with the French data protection agency (CNIL), who can be contacted at dpo@infotel.com;
- drafting of a personal data policy;
- use of an ISO 27001-certified information security management system (ISMS) since 2017 for the sites in Paris, Nanterre, Rennes, and Blagnac in France and Newcastle in the UK;
- establishment of GDPR-compliant registers;
- procedures for the right to access, rectify and oppose the processing of personal data;
- rollout of a GDPR awareness training module for all employees.

#### 15.7.2.7. Risk Matrix

| Field  | Type of extra-financial risks             | Description   | Policies and measures to address this risk (URD) | Key performance indicators (URD) |
|--------|---|---|--|----------------------------------|
| Social | Combating discrimination in the workplace | Taking disability into account on two levels:<br>- Recruitment<br>- Access to infrastructure and the appropriate working conditions                   | 15.7.2.1.  | 15.5.1                           |
|        |   | Seeking equality between men and women:<br>- Within the governing body<br>- All staff members   | 3.9.<br>15.5.2.                                  | 3.9.<br>15.5.1.                  |
|        | Social dialog                             | Setting up representative staff bodies to provide social dialog and information / consultation for negotiating with the Social and Economic Committee | 15.5.5   | 15.5.5<br>15.5.1                 |

| Field                        | Type of extra-financial risks                 | Description  | Policies and measures to address this risk (URD) | Key performance indicators (URD) |
|------------------------------|---|--|--|----------------------------------|
| <b>Social</b><br>(continued) | Accidents at work / employee safety           | Taking into account the risks employees are subject to, namely:<br>- occupational accidents (risk mainly concerns staff travel)<br>- infrastructure / building risks at the place of work, posture adopted by staff members at the workstation and when screen working | 15.5.4.  | 15.5.1.                          |
|                              | Absenteeism                                   | Taking into account the risks related to absenteeism (maternity, paternity, sickness, etc.)  | 15.6.3   | 15.5.1<br>15.6.3                 |
|                              | Training / Skills Development                 | Monitoring employees' skills and training to ensure all staff members can improve their skills and make progress   | 15.5.3.  | 15.5.3.                          |
|                              | Working conditions<br>Well-being of employees | Taking into account the working environment of all Group employees so they work under the best possible conditions   | 15.5.5   | 15.7.2.2.                        |

| Field       | Type of extra-financial risks   | Description  | Policies and measures to address this risk (URD) | Key performance indicators (URD) |
|-------------|---------------------------------|--|--|----------------------------------|
| Environment | Pollution                       | No risk  | 3.8.2.   | 3.8.2.                           |
|             | Climate change                  | Environmental risks related to greenhouse gas emissions generated by <b>Infotel's</b> activity | 3.8.5.   | 3.8.5.                           |
|             | Waste prevention and management | Preventive measures, recycling and waste disposal  | 3.8.3.   | 3.8.3.                           |
|             | Food waste                      | No risk  | 3.8.3.   | 3.8.3.                           |

| Field    | Type of extra-financial risks | Description   | Policies and measures to address this risk (URD) | Key performance indicators (URD) |
|----------|-------------------------------|---|--|----------------------------------|
| Societal | Sustainable development       | There are several types of risk associated with excessive consumption: <ul style="list-style-type: none"> <li>- Excessive Group expenses resulting from overconsumption, but also</li> <li>- The environmental impact this overconsumption could cause</li> </ul> | 3.8.4.   | 3.8.4.                           |
|          | Human rights                  | Not a significant risk, <b>Infotel</b> only operates in countries that do not breach human rights and fundamental freedoms  | 3.9.   | 3.9.                             |



| Field                        | Type of extra-financial risks             | Description  | Policies and measures to address this risk (URD) | Key performance indicators (URD) |
|------------------------------|---|--|--|----------------------------------|
| <b>Anti-Corruption</b>       | Risk of corruption and influence peddling | Here, there are several kinds of risk, including: <ul style="list-style-type: none"> <li>- Criminal risk (fines and imprisonment)</li> <li>- Moreover, economic risks</li> <li>- Reputation</li> </ul> | 15.7.2.4. Anti-Corruption                        | 15.7.2.4. Anti-Corruption        |
| <b>Combating Tax Evasion</b> | Risk of tax evasion                       | Here, there are several kinds of risk, including: <ul style="list-style-type: none"> <li>- Criminal risk (fines and imprisonment)</li> <li>- Moreover, economic risks</li> <li>- Reputation</li> </ul> | 15.7.2.5. Combating Tax Evasion                  | 15.7.2.5. Combating Tax Evasion  |

### **15.7.2.8 European Taxonomy for Sustainable Activities**

European Union Regulation EU 2020/852 of June 18, 2020 entered into force on July 12, 2020. This Regulation aims to promote sustainable investments in the internal market.

It establishes a classification system with specific criteria to determine whether an economic activity can be considered environmentally sustainable. This system is called the European Taxonomy for Sustainable Activities (the “green taxonomy”).

Pursuant to this Regulation, each company that is required to prepare an extra-financial performance declaration must publish within this report the portion of its revenue, capital expenditure (CapEx) and operating expenses (OpEx) associated with activities deemed eligible within the meaning of the Regulation. These are products and/or services related to economic activities considered to be sustainable.

More specifically, the activities in question are those that make a sustainable contribution to one of the six following environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

The European Union Delegated Acts of June 4, 2021 and July 6, 2021 establish the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation, as well as the type of information to be published in respect of the green taxonomy.

The European Taxonomy introduces the concepts of eligibility and alignment:

- an economic activity is considered eligible if it is described in delegated acts because of its potential contribution to at least one of the six environmental objectives listed above, regardless of whether this activity meets the technical criteria set out in these delegated acts;
- the second concept is alignment, which aims to confirm the substantial contribution of the eligible economic activity. In order to be aligned, an activity must comply with the criteria of making a substantial contribution to one of the six above-mentioned objectives, not causing significant harm to any of the five other objectives (DNSH: “Do no significant harm”) and complying with minimum social safeguards, namely respect for human rights and fundamental principles and right to work.

Currently, economic activities considered to be “eligible” for the green taxonomy are only determined with regard to the first two objectives of mitigation and adaptation to climate change.

For **Infotel**, the reporting scope for these three indicators covers the sites in France and Monaco, excluding other foreign subsidiaries, as their impact is deemed immaterial and therefore they are not included in the data presented below.

(i) Share of revenue associated with economic activities eligible for and aligned with the European taxonomy

The first environmental objectives to be analyzed for 2022 are “*Climate change mitigation*” and “*Climate change adaptation*”.

With regard to the activity listed in paragraph 8.2. of Annex II of the Delegated Regulation of June 4, 2021, entitled “*Computer programming, consultancy and related activities*”, in the *Information and Communication* sector, as specified by the European Commission in this Delegated Regulation, there is a degree of ambivalence in terms of sustainability in this sector.

The European Commission states that, “*The information and communication sector is a constantly growing sector representing an increasing share in greenhouse gas emissions. At the same time, information and communication technologies have the potential to contribute to climate change mitigation and to reduce greenhouse gas emissions in other sectors, such as by providing solutions that may help decision making enabling greenhouse gas emission reductions.*” (Paragraph 38 of the Delegated Regulation of June 4, 2021).

Under the objectives of climate change mitigation and climate change adaptation, at the current stage of European regulation, activities 8.2. “*Computer programming, consultancy and related activities*” (Annex II to the Delegated Regulation) and activity 8.2 “*Data-driven solutions for GHG emissions reductions*” (Annex I to the Delegated Regulation) are considered eligible.

In **Infotel’s** case, to calculate the portion of revenue associated with the economic activities eligible for the European taxonomy, it must demonstrate that the revenue generated by the Group is derived from computing, digital and software solutions that, through their functionalities, enable climate change mitigation or adaptation.

**Infotel** is active in the digital transformation, notably through the solutions proposed by OAIO. More broadly, the revenue associated with the solutions and software developed by **Infotel** could qualify as environmentally sustainable under the taxonomy, which would require a more in-depth and comprehensive analysis of each IT solution in order to determine, on a case-by-case basis, its impact on climate change mitigation, particularly in terms of the reduction of greenhouse gas emissions.

As of the date of publication and for the reasons mentioned above, **Infotel** does not consider its revenue in respect of the aforementioned activities to be eligible for the 2022 fiscal year. A more detailed analysis could make it possible to qualify a portion of revenue relating to these activities as being environmentally sustainable, as defined by the European taxonomy.

The results relating to revenue can therefore be summarized as follows, in accordance with the format used to present the key performance indicators of non-financial companies listed in Annex II of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021:

| Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022 |         |               |                        |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
|---|---------|---------------|------------------------|-----------------------------------|---------------------------|----------------------------|------------------|-----------|-----------------------------|--|---------------------------|----------------------------|------------------|-----------|-----------------------------|-----|-----|--------------------|---|---|------------------------------|----------------------------------|
|   |         |               |                        | Substantial contribution criteria |                           |                            |                  |           |                             | DNSH criteria (does no significant harm) |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
|   |         |               |                        | Climate change mitigation         | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems | Climate change mitigation                | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems |     |     |                    |   |   |                              |                                  |
| Economic activities   | Code(s) | Currency (€m) | Proportion of turnover | %                                 | %                         | %                          | %                | %         | %                           | %  | Y/N                       | Y/N                        | Y/N              | Y/N       | Y/N                         | Y/N | Y/N | Minimum safeguards | Taxonomy-aligned proportion of turnover, 2022 | Taxonomy-aligned proportion of turnover, 2021 | Category (enabling activity) | Category (transitional activity) |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>  |         |               |                        |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| <b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>  |         |               |                        |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)  | NA      | 0             | 0%                     | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                          | 0%                                       | NA                        | NA                         | NA               | NA        | NA                          | NA  | NA  | NA                 | 0%  | 0%  | NA                           | NA                               |
| <b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>                         |         |               |                        |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)                 | NA      | 0             | 0%                     |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| <b>Total A (A.1. + A.2.)</b>  | NA      | 0             | 0%                     |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     | 0%                 | 0%  |   |                              |                                  |
| <b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>  |         |               |                        |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| Turnover of Taxonomy-non-eligible activities (B)  | NA      | 300.42        | 100%                   |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |
| <b>Total A + B</b>  | NA      | 300.42        | 100%                   |                                   |                           |                            |                  |           |                             |  |                           |                            |                  |           |                             |     |     |                    |   |   |                              |                                  |

(ii) Capital expenditure (CapEx) eligible for and aligned with the European Taxonomy

The **Infotel** Group conducted a review of the definition of the numerator of the key performance indicator relating to capital expenditure (CapEx) set out in point 1.1.2.2 of Annex I to the Delegated Regulation and the draft FAQ published by the European Commission on February 2, 2022 (question 11), specifying eligible capital expenditure.

**Infotel** Group concluded that:

- a) the amount of capital expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable shall be zero;
- b) the amount of capital expenditure forming part of a plan to expand eligible economic activities under the taxonomy or to allow economic activities eligible for the taxonomy to align with the taxonomy shall be zero;
- c) the amount of CapEx associated with the purchase of the production of economic activities eligible for the taxonomy, as well as individual measures enabling targeted activities to become low carbon activities or to achieve reductions in greenhouse gas emissions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Delegated Act on the Climate and the other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of the Taxonomy Regulation, amounted to €8,846k for the year ended December 31, 2022 (€1,768k for 2021).

**Infotel** Group has adopted an approach whereby capital expenditure related to buildings and company cars purchased or leased during the fiscal year are considered “eligible” within the meaning of the European regulation, provided that they can be considered as contributing to the objectives set out in the European regulation. For leased assets, new contracts, renewals, revaluations and extensions were taken into account in the calculation of the numerator.

**Infotel** Group has reviewed the definition of the denominator of the key performance indicator for capital expenditure as set out in point 1.1.2.1 of Annex 1 to the Delegated Regulation. Total CapEx consisting of acquisitions and changes in consolidation scope as reported in Notes 12.1 - Intangible assets, excluding goodwill 12.3 - Property, plant and equipment and 12.4 - Leases (Section 5.2 “Consolidated financial statements”) amounted to €12,855k for the year ended December 31, 2022 (€4,947k for 2021).

Consequently, the key performance indicator for capital expenditure was 68.9% for 2022 (35.7% in 2021).

The results relating to CapEx can therefore be summarized as follows, in accordance with the format used to present the key performance indicators of non-financial companies listed in Annex II of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021:

| Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022 |         |               |                |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
|---|---------|---------------|----------------|---------------------|-----------------------------------|---------------------------|----------------------------|------------------|-----------|--|---------------------------|---------------------------|----------------------------|------------------|--------------------|--|---|------------------------------|----------------------------------|-----------|-----------------------------|--|
| Economic activities   | Code(s) | Currency (€m) | Absolute CapEx | Proportion of CapEx | Substantial contribution criteria |                           |                            |                  |           | DNSH criteria (does no significant harm) |                           |                           |                            |                  | Minimum safeguards | Taxonomy-aligned proportion of CapEx, 2022 | Taxonomy-aligned proportion of CapEx, year 2021 | Category (enabling activity) | Category (transitional activity) |           |                             |  |
|   |         |               |                |                     | Climate change mitigation         | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems              | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy |                    |  |   |                              |                                  | Pollution | Biodiversity and ecosystems |  |
| A. TAXONOMY-ELIGIBLE ACTIVITIES   |         |               |                |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| A.1 Environmentally sustainable activities (Taxonomy-aligned)   |         |               |                |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| Transport by motorbikes, passenger cars and light commercial vehicles   | 6.5     | 0             | 0.00%          | 0.00%               | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | 0%                        | 0%                        | 0%                         | 0%               | 0%                 | 0%   | 0%  | 0%                           | NA                               | NA        | NA                          |  |
| Acquisition and ownership of buildings  | 7.7     | 0             | 0.00%          | 0.00%               | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | 0%                        | 0%                        | 0%                         | 0%               | 0%                 | 0%   | 0%  | 0%                           | NA                               | NA        | NA                          |  |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)   |         | 0             | 0.00%          | 0.00%               | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | 0%                        | 0%                        | 0%                         | 0%               | 0%                 | 0%   | 0%  | 0%                           |                                  |           |                             |  |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)                        |         |               |                |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| Transport by motorbikes, passenger cars and light commercial vehicles   | 6.5     | 0.089         | 0.69%          | 100%                | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | 0%                        | 0%                        | 0%                         | 0%               | 0%                 | 0%   | 0%  | 0%                           | NA                               | NA        | NA                          |  |
| Acquisition and ownership of buildings  | 7.7     | 8.756         | 68.11%         | 100%                | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | 0%                        | 0%                        | 0%                         | 0%               | 0%                 | 0%   | 0%  | 0%                           | NA                               | NA        | NA                          |  |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)            |         | 8.846         | 68.81%         |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| <b>Total A (A.1. + A.2.)</b>  |         | <b>8.846</b>  | <b>68.81%</b>  |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES   |         |               |                |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| CapEx of Taxonomy-non-eligible activities (B)   |         | <b>4.009</b>  | <b>31.19%</b>  |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |
| <b>Total A + B</b>  |         | <b>12.855</b> | <b>100.00%</b> |                     |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |  |   |                              |                                  |           |                             |  |

Comment: As the analysis of the qualification of eligible CapEx as Taxonomy-aligned or not aligned is ongoing for the two categories, eligible CapEx are currently considered as non-aligned for reasons of caution.

(iii) Operating expenses (OpEx) eligible for and aligned with the European Taxonomy

Operating expenses (OpEx) as defined by the European taxonomy represented less than 5% of **Infotel** Group's operating expenses in 2022. They correspond to the cost of maintaining and repairing tangible assets, building renovation costs, research and development costs, and uncapitalized rental costs, which do not represent **Infotel's** core business and therefore account for a small portion of total operating expenses. **Infotel's** business model primarily generates operating expenses related to personnel costs and sub-contracting expenses. This finding, combined with the fact that the Group's activities are not currently eligible, led **Infotel** to apply the materiality exemption for this indicator.

The results relating to OpEx can therefore be summarized as follows, in accordance with the format used to present the key performance indicators of non-financial companies listed in Annex II of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021:

| Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2022 |         |               |               |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
|--|---------|---------------|---------------|--------------------|-----------------------------------|---------------------------|----------------------------|------------------|-----------|--|---------------------------|---------------------------|----------------------------|------------------|--------------------|---|---|------------------------------|----------------------------------|-----------|
| Economic activities  | Code(s) | Currency (€m) | Absolute OpEx | Proportion of OpEx | Substantial contribution criteria |                           |                            |                  |           | DNSH criteria (does no significant harm) |                           |                           |                            |                  | Minimum safeguards | Taxonomy-aligned proportion of OpEx, 2022 | Taxonomy-aligned proportion of OpEx, 2021 | Category (enabling activity) | Category (transitional activity) |           |
|  |         |               |               |                    | Climate change mitigation         | Climate change adaptation | Water and marine resources | Circular economy | Pollution | Biodiversity and ecosystems              | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular economy |                    |   |   |                              |                                  | Pollution |
|  |         |               |               | %                  | %                                 | %                         | %                          | %                | %         | %  | Y/N                       | Y/N                       | Y/N                        | Y/N              | Y/N                | Y/N                                       | %   | %                            | NA                               | NA        |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>   |         |               |               |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| <b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>   |         |               |               |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)   | NA      | 0             | 0%            | 0%                 | 0%                                | 0%                        | 0%                         | 0%               | 0%        | 0%                                       | NA                        | NA                        | NA                         | NA               | NA                 | NA  | 0%  | 0%                           | NA                               | NA        |
| <b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>                |         |               |               |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)            | NA      | 0             | 0%            |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| <b>Total A (A.1. + A.2.)</b>   | NA      | 0             | 0%            |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| <b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>   |         |               |               |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| OpEx of Taxonomy-non-eligible activities (B)   | NA      | 0             | 0%            |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |
| <b>Total A + B</b>   | NA      | 0             | 0%            |                    |                                   |                           |                            |                  |           |  |                           |                           |                            |                  |                    |   |   |                              |                                  |           |

## **15.8. THE INDEPENDENT THIRD-PARTY'S REPORT ON EXTRA-FINANCIAL PERFORMANCE DECLARATION**

### **The independent Third-Party's Report on the verification of the Consolidated Extra-Financial Performance Declaration**

Fiscal year ended December 31, 2022

To the shareholders,

In our capacity as independent third party ("third party") for Infotel SA (hereafter the "entity"), accredited by Cofrac under number 3-1886 rev. 0 (Cofrac Inspection Accreditation, no. 3-1048, scope available at [www.cofrac.fr](http://www.cofrac.fr)), we conducted work to formulate a reasoned opinion expressing a conclusion of moderate assurance on the historical information (recorded or extrapolated) provided in the consolidated extra-financial performance declaration prepared in accordance with the entity's procedures (hereinafter referred to as the "Standards") for the year ended December 31, 2022 (hereinafter the "Information" and the "Declaration"), presented in the Group management report in accordance with the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

#### **Conclusion**

Based on the procedures that we have implemented, as described in the "Nature and scope of work" section, and the information we have collected, we have not found any material misstatements likely to call into question the fact that the Declaration complies with the applicable regulatory provisions and that the Information, taken as a whole, is presented in a fair manner in accordance with the Standards.

#### **Preparation of the Declaration**

The absence of generally accepted and commonly used terms of reference or established practices to assess and measure the Information makes it possible to use different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood by referring to the Standard, the material elements of which are presented in the Declaration and are available on the website or from the entity's head office on request.

#### **Limitations inherent in preparing the information related to the Declaration**

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions or estimates used, as presented in the Declaration.

#### **Responsibility of the entity**

Management is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Declaration in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- implementing the internal controls it deems necessary for the preparation of Information that does not contain material misstatements, whether due to fraud or error.

The Report was prepared by applying the entity's Standards as mentioned above.

#### **Responsibility of the independent third party**

On the basis of the work we carry out, we are responsible for formulating a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Declaration with the provisions of Article R.225-105 of the French Commercial Code;

- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R.225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks, hereinafter the “Information”.

As it is our responsibility to make an independent conclusion on the information as prepared by management, we are not allowed to be involved in the preparation of such Information, as this could compromise our independence.

It is not our responsibility to assess:

- compliance by the entity with other applicable legal and regulatory provisions, particularly with regard to information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the duty of care plan, and the fight against corruption and tax avoidance;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- compliance of products and services with applicable regulations.

### **Applicable regulatory provisions and professional standards**

Our work described below was carried out in accordance with our audit program in accordance with the provisions of Articles A.225 1 et seq. of the French Commercial Code, the professional standards of the French Commercial Code, the professional standards of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this assignment and the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

### **Independence and quality control**

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the profession’s Code of Ethics. In addition, we have implemented a system of quality control including documented policies and procedures ensuring compliance with the applicable legal and regulatory requirements, rules of ethics, and professional standards set by the French Institute of Statutory Auditors with respect to this assignment.

### **Means and resources**

Our work was performed by a team of three people over a total of three weeks between March 2023 and April 2023.

To help us in carrying out this work, we worked with our specialists in sustainable development and social responsibility. We conducted five interviews with those in charge of drawing up the Declaration.

Our work involved the use of information and communication technologies to carry out work and interviews remotely, without this hindering their execution.

### **Nature and extent of our work**

We planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures that we applied in exercising our professional judgment allow us to make a conclusion of moderate assurance:

- We took note of the activity of all the companies included in the scope of consolidation as well as the report on the main risks.
- We have assessed the appropriateness of the Guidelines in terms of their relevance, comprehensiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, the sector’s best practices.
- We confirmed that the Declaration covers every category of information provided for in Article L.225-102-1 III in respect of social and environmental issues as well as respect for human rights and the fight against corruption and tax evasion.
- We verified that the Declaration includes the information stipulated in Article R.225-105 II when it is relevant with regard to the main risks and includes, where appropriate, an explanation of the reasons justifying the absence of the information required by the second paragraph of Article L.225-102-1 III.
- We verified that the Declaration presents the business model and describes the main risks relating to the Group’s business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators for the main risks.
- We consulted the documentary sources and conducted interviews to:
  - assess the process of selecting and validating the main risks as well as the consistency of the results and the key performance indicators selected with regard to the main risks and policies presented; and

- corroborate the qualitative information (action and results) we deemed to be the most significant<sup>1</sup>. Our work was carried out at the level of the consolidating entity. For the others, work was carried out at the level of the consolidating entity and in a selection of entities.
- We confirmed that the Declaration covers the consolidated field, namely all the companies included in the field of consolidation as defined in Article L.233-16 in compliance with the limits specified by the Declaration.
- We reviewed the internal control and risk management procedures implemented by the entity and we assessed the data collection process established by the entity for the comprehensive nature and fairness of the Information.
- For the key performance indicators and other quantitative outcomes that in our judgment were of most significance<sup>2</sup>, applied:
  - Analytical procedures consisting of confirming the correct consolidation of the collected data as well as the coherence of subsequent changes;
  - Detailed tests based on surveys or other sampling methods, consisting of checking the correct application of the definitions and procedures and matching the data with supporting documents.
- We assessed the overall consistency of the Declaration in relation to our knowledge of all the entities included in the consolidation scope.

The procedures implemented to establish moderate assurance are less extensive than those required for reasonable assurance carried out in accordance with the professional standards set by the French Institute of Statutory Auditors; higher level assurance would have required more extensive verification work.

Paris-La Défense, April 27, 2023  
The Independent Third Party,

Deloitte & Associés

Cécile Rémy  
Partner, Audit,

Catherine Saire  
Partner, Sustainable Development

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<sup>1</sup> Qualitative information: Digital sustainability policy; Gender equality index.

<sup>2</sup> Quantitative information: Total workforce at December 31, 2022; Fixed-term, permanent, and professional training contract hires; Redundancies and other dismissals; Departures (permanent and professional training contracts); Absenteeism reason and rate; Number of training hours; Quantity of paper and cardboard generated; Quantity of WEEE generated; Electricity consumption; Greenhouse gas emissions resulting from electricity consumption (scope 2); Greenhouse gas emissions resulting from employee plane and train travel (scope 3).



## 16. MAJOR SHAREHOLDERS

### 16.1. CHANGES IN THE BREAKDOWN OF CAPITAL STOCK OVER THE LAST THREE YEARS

To the Company's knowledge, the holders of **Infotel** common stock are:

| Shareholder structure  | Situation at 12/31/2020 |                    |                 | Situation at 12/31/2021 |                    |                 | Situation at 12/31/2022 |                    |                 |
|------------------------|-------------------------|--------------------|-----------------|-------------------------|--------------------|-----------------|-------------------------|--------------------|-----------------|
|                        | Number of shares        | % of share capital | % voting rights | Number of shares        | % of share capital | % voting rights | Number of shares        | % of share capital | % voting rights |
| Bernard Lafforet       | 1,850,635               | 27.48              | 38.42           | 1,850,635               | 27.13              | 37.97           | 1,850,635               | 26.86              | 37.57           |
| Michel Koutchouk       | 386,800                 | 5.74               | 8.03            | 386,800                 | 5.67               | 7.94            | 386,800                 | 5.61               | 7.85            |
| Josyane Muller         | 101,000                 | 1.50               | 2.10            | 86,000                  | 1.26               | 1.76            | 68,000                  | 0.99               | 1.38            |
| Éric Fabretti          | 117,933                 | 1.75               | 2.35            | 70,039                  | 1.03               | 1.34            | 61,764                  | 0.90               | 1.24            |
| Jean François Castella |                         |                    |                 | 31,094                  | 0.46               | 0.36            | 31,094                  | 0.45               | 0.45            |
| Christophe Cerinotti   |                         |                    |                 | 30,690                  | 0.45               | 0.31            | 30,690                  | 0.45               | 0.38            |
| Jean Pierre Rivière    |                         |                    |                 | 41,966                  | 0.62               | 0.43            | 41,966                  | 0.61               | 0.56            |
| Stéphane Bourva        |                         |                    |                 | 44,705                  | 0.66               | 0.46            | 44,705                  | 0.65               | 0.60            |
| Frédéric Halluin       |                         |                    |                 | 42,984                  | 0.63               | 0.44            | 42,984                  | 0.62               | 0.59            |
| Stéphane Sawrei        |                         |                    |                 | 23,971                  | 0.35               | 0.25            | 23,971                  | 0.35               | 0.32            |
| Arnaud Siminski        |                         |                    |                 | 22,573                  | 0.33               | 0.23            | 22,573                  | 0.33               | 0.34            |
| Total Executives       | 2,456,368               | 36.47              | 50.90           | 2,631,457               | 38.58              | 51.50           | 2,605,182               | 37.81              | 51.28           |
| Treasury stock         | 0                       | 0                  | 0               | 0                       | 0                  | 0               | 0                       | 0                  | 0               |
| Liquidity agreement    | 2,479                   | 0.04               | 0               | 2,146                   | 0.03               | 0               | 3,430                   | 0.05               | 0               |
| Free float             | 4,275,605               | 63.49              | 49.10           | 4,187,672               | 61.39              | 48.50           | 4,281,946               | 62.14              | 48.72           |
| Total                  | 6,734,452               | 100                | 100             | 6,821,275               | 100                | 100             | 6,890,558               | 100                | 100             |

As no treasury shares were held under the share buyback program as at December 31, 2022, the table above does not distinguish between theoretical voting rights and exercisable voting rights, which total 9,852,570.

The issuer's major shareholders, as well as all shareholders whose stock is registered nominatively for at least two years, have double voting rights according to statutory provisions.

To the Company's knowledge, the issuer is not held or more than 50% controlled by one individual or legal entity, taking into account the totality of the stock and voting rights making up the Company's capital stock, of which 62.14% and 48.72% of voting rights are held by the public.

However, it may be considered that Bernard Lafforet exercises *de facto* control of the Company in terms of the percentage of voting rights he holds, compared to the number of rights effectively exercised at the AGM. In this regard, no particular measures have been taken to ensure that this control is not exercised abusively.

To the Company's knowledge, there is no agreement whereby such implementation could, at a later date, involve a change in its control.

The nature of the leading shareholders of **Infotel** since its listing on the stock market in January 1999 shows great stability.

The executives and managers are strongly involved in the Group's expansion and are majority shareholders. On December 31, 2022 they held 37.81% of the capital and 51.28% of voting rights.

On January 13, 2023, employees held 78,629 shares, or 1.14% of the capital stock, through a company savings plan. Representing less than 3% of the capital stock, this holding is not significant.

On December 31, 2022 there were no registered shares acquired by employees according to the conditions of Article L.22-10-59 (2) of the French Commercial Code.

On January 13, 2023, **Infotel** carried out a review of identifiable bearer shares to determine the number of shareholders. Few comparisons against the previous year can be made as the calculation basis has changed this year. 3,427 lines and 3,014 final holders were identified, i.e. 3,674,888 bearer securities identified (98% of bearer securities identified) and a total of 3,734,899 bearer securities identified by Euroclear.

To the Company's knowledge, the breakdown of the capital stock and the voting rights has not changed significantly during the last three fiscal years. The executives still hold majority voting rights.

**Infotel** confirms its eligibility under the SME-Mid-tier share savings plan in compliance with Decree no. 2014-283 of March 4, 2014 taken for the application of Article 70 of the French Finance Law no. 2013-1278 of December 29, 2013 for 2014 and Decree no. 2016-1664 of December 5, 2016 concerning the application of Article 27 of the French Amended Finance Law no. 2015-1786 of December 29, 2015 for 2015. As a result, **Infotel** stock can still be fully integrated in PEA-PME accounts that benefit from the same fiscal advantage as a traditional stock savings plan (PEA).

On December 7, 2015, **Infotel** announced that its shares would be eligible for the French Deferred Settlement System (SRD) of Euronext Paris from December 29, 2016 in the segment "long only".

On January 29, 2016, the **Infotel** share was transferred from compartment C to compartment B of Euronext Paris. Compartment B contains listed companies with a market capitalization between 150 million and 1 billion euros.

## **17. RELATED PARTY TRANSACTIONS**

These transactions are described in paragraph 6.2.11 “Other Information Related to Subsidiaries” on page 46.

The “Statutory Auditors’ special report on related-party agreements” covered in section 18.4.3 on page 157 does not mention any related party transactions.

There are no transactions with related parties.

## **18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS**

### **18.1. HISTORICAL FINANCIAL INFORMATION**

The key financial information presented was verified and must be read in reference to the comments by the management board regarding the financial statements and financial position of the company, the consolidated accounts and their notes, as well as other financial information appearing in this universal registration document. Information on previous fiscal years is available in the registration documents for previous years that can be viewed on our website: [www.infotel.com](http://www.infotel.com), in the section:

Investors > Reports and Reference Documents.

The financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union in Regulation (EC) 1606/2002.

Pursuant to Article 19 of Regulation (EU) 2017/1129 of June 14, 2017, the following information is included for reference in this universal registration document:

- the consolidated accounts and audit reports for the year ending December 31, 2021 appear on pages 109-135 and 149-152 of the 2021 Registration Document, filed with the French Financial Markets Authority on April 29, 2022 under number D.22-0387; the annual accounts and audit reports for the year ending December 31, 2021 appear on pages 136-148 and 153-156 of the same document, the analysis of the financial position and results appear on pages 51 and 52, the investments on page 31 and 32, and the related party transactions on page 107 of this document;
- the consolidated accounts and audit reports for the year ended December 31, 2020 appear on pages 101-130 and 144-147 of the 2020 Registration Document, filed with the French Financial Markets Authority on April 29, 2021 under number D.21-0389; the annual accounts and audit reports for the year ended December 31, 2020 appear on pages 131-143 and 148-151 of the same document, the analysis of the financial position and results appear on pages 49 and 50, investments on page 28 and 29, and related party transactions on page 99 of this document.

The parts not included in these documents are either not applicable for the investor or covered in another part of the above-mentioned registration documents.

## 18.2. SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

### 18.2.1. Consolidated Balance Sheet

#### 18.2.1.1. Assets

| <b>ASSETS</b> (in thousands of euros) | <b>Notes</b> | <b>12/31/2022</b> | <b>12/31/2021</b> |
|---------------------------------------|--------------|-------------------|-------------------|
| Goodwill                              | 1            | 12,947            | 11,865            |
| Right-of-use assets                   | 2            | 31,826            | 28,415            |
| Intangible fixed assets               | 2            | 7,479             | 7,220             |
| Property, plant and equipment         | 3            | 5,453             | 5,037             |
| Other financial assets                | 4            | 1,387             | 1,243             |
| Equity-accounted securities           |              | 0                 | 0                 |
| Deferred tax assets                   | 14           | 2,071             | 2,053             |
| <b>NON-CURRENT ASSETS</b>             |              | <b>61,165</b>     | <b>55,833</b>     |
| Trade receivables                     | 5            | 74,304            | 76,796            |
| Other receivables                     | 6            | 11,146            | 10,090            |
| Current tax assets                    | 9            | 0                 | 0                 |
| Cash and cash equivalents             | 8            | 112,804           | 107,758           |
| <b>CURRENT ASSETS</b>                 |              | <b>198,254</b>    | <b>194,644</b>    |
| <b>TOTAL ASSETS</b>                   |              | <b>259,419</b>    | <b>250,477</b>    |

### 18.2.1.2. Liabilities

| <b>LIABILITIES</b> (in thousands of euros)        | <b>Notes</b> | <b>12/31/2022</b> | <b>12/31/2021</b> |
|---|--------------|-------------------|-------------------|
| Capital   | 10           | 2,756             | 2,756             |
| Capital reserves                                  |              | 7,590             | 7,588             |
| Accumulated comprehensive income                  |              | 102,920           | 92,935            |
| Treasury stock                                    | 10           | (179)             | (111)             |
| <b>GROUP EQUITY</b>                               |              | <b>113,087</b>    | <b>103,167</b>    |
| Non-controlling interests                         |              | 2,013             | 1,381             |
| <b>SHAREHOLDERS' EQUITY</b>                       |              | <b>115,100</b>    | <b>104,549</b>    |
| Loans and other long-term debts                   |              | 276               | 2                 |
| Non-current lease liabilities                     | 13           | 29,105            | 26,470            |
| Provisions  | 11           | 3,680             | 4,487             |
| Deferred taxes                                    | 14           | 46                | 64                |
| <b>NON-CURRENT LIABILITIES</b>                    |              | <b>33,107</b>     | <b>31,023</b>     |
| Current lease liabilities                         | 12 - 13      | 5,045             | 4,190             |
| Suppliers   | 12 - 13      | 33,927            | 28,396            |
| Other liabilities                                 | 12 - 13      | 71,455            | 81,926            |
| Current tax liabilities                           | 13           | 784               | 394               |
| <b>CURRENT LIABILITIES</b>                        |              | <b>111,212</b>    | <b>114,906</b>    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |              | <b>259,419</b>    | <b>250,477</b>    |

## 18.2.2. Income Statement and Statement of Comprehensive Income

| <i>In thousands of euros</i>                                     | Notes | 12/31/2022     | 12/31/2021     |
|--|-------|----------------|----------------|
| <b>Revenue</b>   | 15    | <b>300,418</b> | <b>263,441</b> |
| Purchases consumed   |       | (280)          | (252)          |
| Personnel expenses   | 17    | (113,613)      | (109,539)      |
| External expenses  | 16    | (143,057)      | (118,983)      |
| Taxes and duties   |       | (4,450)        | (4,267)        |
| Depreciation and amortization                                    |       | (9,284)        | (8,319)        |
| Provisions   |       | (0)            | (7)            |
| Other operating income and expenses                              |       | 52             | (126)          |
| <b>CURRENT OPERATING INCOME</b>                                  |       | <b>29,785</b>  | <b>21,948</b>  |
| Other operating income and expenses                              |       | 0              | 0              |
| <b>NET OPERATING INCOME</b>                                      |       | <b>29,785</b>  | <b>21,948</b>  |
| Financial Income   | 18    | 340            | 319            |
| Financial expenses   | 18    | (959)          | (674)          |
| <b>NET FINANCIAL INCOME</b>                                      | 18    | <b>(619)</b>   | <b>(354)</b>   |
| Income tax expense   | 19    | (7,914)        | (7,222)        |
| Share of profits of companies accounted for by the equity method |       | 0              | (9)            |
| <b>NET INCOME FOR THE PERIOD</b>                                 |       | <b>21,252</b>  | <b>14,363</b>  |
| Group share  |       | 20,314         | 13,702         |
| Non-controlling interests  | 20    | 939            | 661            |

|  |    |      |      |
|--|----|------|------|
| Basic earnings per share - Group share   | 21 | 2.95 | 1.99 |
| Diluted earnings per share - Group share | 21 | 2.95 | 1.99 |

| <i>In thousands of euros</i>                   |  | 12/31/2022    | 12/31/2021    |
|--|--|---------------|---------------|
| <b>NET INCOME FOR THE PERIOD</b>               |  | <b>21,252</b> | <b>14,363</b> |
| Gains and losses recognized directly in equity |  | 578           | 168           |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>     |  | <b>21,830</b> | <b>14,532</b> |
| Group share                                    |  | 20,943        | 13,836        |
| Non-controlling interests                      |  | 887           | 696           |

### 18.2.3. Statement of Cash Flows

| <i>In thousands of euros</i>  | <b>12/31/2022</b> | <b>12/31/2021</b> |
|---|-------------------|-------------------|
| <b>NET INCOME FOR THE PERIOD</b>                                    | <b>21,252</b>     | <b>14,363</b>     |
| Cost of benefits granted  | 0                 | 2,142             |
| Depreciation/amortization and provisions for risks and charges      | 8,998             | 8,017             |
| Gains or losses on disposals of assets                              | (8)               | 8                 |
| Share of income from companies accounted for by the equity method   | 0                 | 9                 |
| Other   |                   |                   |
| <b>CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES</b>         | <b>30,243</b>     | <b>24,539</b>     |
| Cost of net financial debt  | 619               | 354               |
| Tax expense (including deferred taxes) 16                           | 7,914             | 7,222             |
| <b>CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAXES</b>        | <b>38,776</b>     | <b>32,115</b>     |
| Taxes paid  | (7,825)           | (1,962)           |
| Change in WCR related to business operations                        | (4,587)           | (3,066)           |
| <b>NET CASH FLOW GENERATED BY ACTIVITIES</b>                        | <b>26,364</b>     | <b>27,087</b>     |
| Acquisitions of property, plant and equipment and intangible assets | (4,655)           | (3,547)           |
| Acquisitions of financial fixed assets net of disposals             | (134)             | 15                |
| Proceeds from sale of assets  | 42                | 2                 |
| Acquisition of securities   | (1)               | (400)             |
| Impact of changes in scope  | 17                | 348               |
| <b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>                     | <b>(4,732)</b>    | <b>(3,581)</b>    |
| Capital increase (including subscription of options)                |                   |                   |
| Repurchase and resale of own shares (net of corporate tax)          | (60)              | 19                |
| Dividends paid to the shareholders of the parent company            | (11,021)          | (10,911)          |
| Dividends paid to non-controlling interests in subsidiaries         | (256)             | (170)             |
| Repayment of lease liabilities                                      | (4,735)           | (3,663)           |
| Loan subscription   | 297               |                   |
| Loan repayment (including finance lease)                            | (1)               | (1)               |
| Net interest paid (including finance lease)                         | (689)             | (506)             |
| Other flows from financing activities                               | 0                 | 271               |
| <b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>                      | <b>(16,465)</b>   | <b>(14,961)</b>   |
| Impact of exchange rate fluctuations                                | (122)             | 72                |
| <b>Change in net cash position</b>                                  | <b>5,046</b>      | <b>8,617</b>      |
| <b>Opening cash position</b>  | <b>107,758</b>    | <b>99,142</b>     |
| <b>Closing cash position</b>  | <b>112,804</b>    | <b>107,758</b>    |



#### 18.2.4. Consolidated Statement of Changes in Equity

| <i>in thousands of euros</i>                   | Capital      | Capital reserves | Treasury stock | Reserves and consolidated results | Equity - Group share | Non-controlling interests | Total shareholders' equity |
|--|--------------|------------------|----------------|-----------------------------------|----------------------|---------------------------|----------------------------|
| <b>Equity at December 31, 2020</b>             | <b>2,694</b> | <b>7,584</b>     | <b>(102)</b>   | <b>87,715</b>                     | <b>97,891</b>        | <b>812</b>                | <b>98,703</b>              |
| Net income for the fiscal year                 |              |                  |                | 13,702                            | 13,702               | 661                       | 14,363                     |
| Actuarial change                               |              |                  |                | 153                               | 153                  | 1                         | 154                        |
| Translation adjustments                        |              |                  |                | (19)                              | (19)                 | 33                        | 14                         |
| <b>Sub-total Comprehensive income</b>          |              |                  |                | <b>13,836</b>                     | <b>13,836</b>        | <b>695</b>                | <b>14,532</b>              |
| Changes in capital stock and stock option plan | 62           |                  |                | (62)                              | 0                    |                           | 0                          |
| Allocations to reserves                        |              | 3                |                | (3)                               | 0                    |                           | 0                          |
| Treasury stock operations                      |              |                  | (9)            | 28                                | 19                   |                           | 19                         |
| Dividends                                      |              |                  |                | (10,911)                          | (10,911)             | (170)                     | (11,081)                   |
| Free shares granted                            |              |                  |                | 2,142                             | 2,142                |                           | 2,142                      |
| Other / Changes in scope                       |              |                  |                | 188                               | 189                  | 45                        | 233                        |
| <b>Equity at December 31, 2021</b>             | <b>2,756</b> | <b>7,589</b>     | <b>(111)</b>   | <b>92,936</b>                     | <b>103,167</b>       | <b>1,380</b>              | <b>104,548</b>             |
| Net income for the fiscal year                 |              |                  |                | 20,314                            | 20,314               | 939                       | 21,252                     |
| Actuarial change                               |              |                  |                | 739                               | 739                  | 4                         | 743                        |
| Translation adjustments                        |              |                  |                | (109)                             | (109)                | (56)                      | (165)                      |
| <b>Sub-total Comprehensive income</b>          |              |                  |                | <b>20,943</b>                     | <b>20,943</b>        | <b>887</b>                | <b>21,830</b>              |
| Changes in capital stock and stock option plan |              |                  |                | 0                                 | 0                    |                           | 0                          |
| Allocations to reserves                        |              | 3                |                | (3)                               | 0                    |                           | 0                          |
| Treasury stock operations                      |              |                  | (68)           | 8                                 | (60)                 |                           | (60)                       |
| Dividends                                      |              |                  |                | (11,021)                          | (11,021)             | (256)                     | (11,277)                   |
| Free shares granted                            |              |                  |                | 0                                 | 0                    | 0                         | 0                          |
| Other / Changes in scope                       |              |                  |                | 57                                | 57                   | 1                         | 58                         |
| <b>Equity at December 31, 2022</b>             | <b>2,756</b> | <b>7,591</b>     | <b>(179)</b>   | <b>102,921</b>                    | <b>113,087</b>       | <b>2,013</b>              | <b>115,100</b>             |

### **18.2.5. General Information**

**Infotel SA** (“the Company”) is a corporation registered in France.

**Infotel** primarily engages in software development, marketing and maintenance activities through its subsidiaries Infotel Corporation and Insoft Infotel Software GmbH. Its other subsidiaries Infotel Conseil, Infotel Monaco, OAI O, Coach’Is, Collaboractif, and Infotel Consulting UK are engaged in IT service provision.

The Consolidated Financial Statements include the Company and its subsidiaries (collectively called “the Group”).

The information disclosed as part of the accounts is an integral part of these financial statements. Unless otherwise stated, these accounts are expressed in thousands of euros, the euro being the reporting currency of the Group.

The Consolidated Financial Statements were approved by the Board of Directors on April 26, 2023 in accordance with the going-concern principle; they will be submitted for approval at the Ordinary General Shareholders’ Meeting on May 17, 2023.

The Group has not changed its financial performance indicators, the effects of the pandemic are spread throughout the income statement and certain items cannot be isolated, either because their consequences caused a decline in revenue, or because the impact of Covid-19 cannot be accurately determined.

The Group’s activity was slightly impacted by the health crisis in 2021. Business has picked up and has increased in relation to 2019. New ways of working, including the increased use of teleworking, have reduced external expenses by limiting travel and hospitality costs.

### **18.2.6. Accounting Principles and Methods**

#### **18.2.6.1. Basis of Preparation**

In accordance with European Regulation EC 1606/2002 of the European Parliament dated July 19, 2002 on the application of international accounting standards, the **Infotel** Group’s consolidated financial statements for the year ended December 31, 2022 were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The accounting principles applied for the preparation of the annual consolidated financial statements as at December 31, 2022 are consistent with those applied for the annual consolidated financial statements as at December 31, 2021, with the exception of the standards and interpretations adopted in the European Union, applicable for the Group as from January 1, 2022.

### 18.2.6.2. Changes in Accounting Standards in 2022

*IFRS, IFRIC interpretations or amendments with mandatory application from December 31, 2022*

#### **Texts Adopted by the European Union:**

The mandatory standards and interpretations applicable from January 1, 2022, had no material impact on the **Infotel** Group's consolidated financial statements at December 31, 2022. They mainly concern:

- Amendments to IFRS 3 - Reference to the Conceptual Framework.
- Annual improvements to IFRSs - 2018-2020 cycle (minor amendments to IFRS 1, IFRS 9, IAS 41, IFRS 16).
- Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract.
- Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use.

Other standards, interpretations, amendments and decisions of the IFRS Interpretations Committee (IFRS IC)  
- IFRS IC conclusions relating to configuration or customization costs in a cloud computing arrangement (IAS 38 - Intangible assets).

In April 2021, the IASB validated the IFRS IC's position on the criteria for the capitalization in intangible assets of the costs of configuration and customization of software acquired in an SaaS arrangement. Only services resulting in control over additional code are eligible for recognition in intangible assets, with the others being recorded in expenses. The Group has not recognized any material impact on its financial statements related to this IFRIC position.

- IFRS 9 Financial Instruments and IAS 20 Government Grants.
- IAS 7 Statement of Cash Flows - Demand Deposits with Restrictions on Use.
- IFRS 15 Revenue from Contracts with Customers - Principal versus Agent: Software reseller.

These standards and amendments had no material impact on the Group's consolidated financial statements.

*Non-mandatory accounting standards or interpretations at December 31, 2022 not adopted early by the Group*

The Group has not applied any of the following new standards and interpretations that may affect it and the application of which is not mandatory as of January 1, 2023:

Amendments to IAS 1 - Disclosure of Material Accounting Policy Information.

- These amendments are intended to clarify the disclosures in the financial statements on material accounting policies within the meaning of IAS 1. Practice Statement 2 "Making materiality judgments" is updated with the addition of an analysis of the materiality of accounting information and examples of application of the amended IAS 1 principles.

- Amendments to IAS 8 - Definition of Accounting Estimates.

The purpose of these amendments is to define the concept of accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". They also specify that an entity prepares accounting estimates if the accounting policies require that elements of the financial statements be measured in a manner that involves measurement uncertainty (monetary amounts that are not directly observable).

- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

These amendments clarify that deferred tax should be recognized on transactions for which the company recognizes both an asset and a liability, such as leases.

- IFRS 17 - Insurance Contracts (replacing IFRS 4).

- IFRS 17 and IFRS 9 - Initial application, comparative information.

*Standards, amendments and interpretations published by the IASB applicable after December 31, 2022 but not yet adopted by the European Union*

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current.

These amendments are intended to clarify the criteria for classifying a liability as a current or non-current liability.

- Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback.

These amendments will come into force on January 1, 2024 - Amendments to IAS 1

### 18.2.6.3. Accounting Method

#### *Rules of consolidation and scope*

The companies over which **Infotel** has direct or indirect control are fully consolidated.

The companies over which **Infotel** has significant influence are accounted for using the equity method.

The financial statements of the subsidiaries are incorporated in the consolidated financial statements from the date on which control is obtained until the date on which such control ceases. All companies of the Group have a year-end of December 31.

*Intra-group transactions removed from the financial statements*

Balances, underlying profit and loss, income and expenses from intra-group transactions have been removed during the preparation of the consolidated financial statements. Underlying losses have been removed in the same way as underlying profit, but only where they are not representative of a loss in value.

*Foreign currency transactions*

Foreign currency transactions are translated using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of the period are translated into euros by using the exchange rate prevailing at that date. Translation adjustments are accounted for in income or expenses. Non-monetary assets and liabilities in foreign currency that are valued at historical cost are translated into euros using the exchange rate prevailing at the transaction date.

*Financial statements of foreign subsidiaries*

Goodwill and fair value adjustments treated as assets and liabilities of the foreign entity are translated into euros by using the exchange rate prevailing the end of the fiscal year. Income and expenses of the foreign entity are translated into euros using the average rates that approximate the exchange rate at the dates of the transaction. Translation adjustments are recorded in a translation reserve, a separate component of shareholders' equity, and in non-controlling interests.

The exchange rates applied for the main currencies are as follows (currencies outside the Eurozone):

| Indicative exchange rate against EUR |     | Average exchange rate 2022 | Average exchange rate 2021 | Rate at year-end 2022 | Rate at year-end 2021 |
|--------------------------------------|-----|----------------------------|----------------------------|-----------------------|-----------------------|
| Indian rupee                         | INR | 0.012180                   |                            | 0.01128               |                       |
| US dollar                            | USD | 0.94887                    | 0.84493                    | 0.93756               | 0.88292               |
| Pound sterling                       | GBP | 1.17286                    | 1.16278                    | 1.12748               | 1.16278               |

*Translation methods*

In the application of IAS 21 "The Effects of Changes in Foreign Exchange Rates", all subsidiaries of the Group express operations in the most representative currency of their economic environment, the functional currency. The reporting currency of Infotel Corporation is the US dollar, that of Infotel Consulting UK the pound sterling, and that of Smurk IT India the Indian rupee.

**18.2.6.4. Use of Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with IFRS standards requires certain accounting estimates and assumptions to be made that may affect the carrying amount of assets and liabilities, income and expenses, and the disclosures given in the notes.

The estimates and assumptions herein are carried out from prior experience and other factors considered as reasonable in view of the circumstances. They are also used to make the necessary judgments in determining the carrying amounts of assets and liabilities, which could not be obtained directly from other sources. The real values may be different from their estimated values.

Management has been required to exercise its judgment during the application of the Group accounting methods. The areas for which assumptions and estimates may be significant as regards the consolidated financial statements are primarily the assessment of goodwill, the recognition of revenue associated with IBM royalties, and the assessment of development costs.

### 18.2.6.5. Methods of Valuation

#### *Goodwill*

The business combination is accounted for by applying the acquisition method in accordance with IFRS 3 R. According to this method, the acquirer purchases the net assets and recognizes the assets acquired and liabilities assumed at their fair value.

Goodwill represents the difference between the acquisition cost of securities (including the expected price complements that are recognized and the amounts that can be reliably measured) and the non-controlling interest's share of the fair value of the assets and liabilities and assumed liabilities identified at the acquisition date.

Therefore, in certain business combinations, when the nature of the customer portfolio held by an entity and the nature of the activity performed must allow the entity to continue its commercial relations in order to create loyalty, relationships with customers are valued as intangible assets and amortized according to the average age of active customers.

Subsequently, goodwill is impacted by each cash-generating unit that is expected to benefit from the business combination. It is subjected to impairment testing (see accounting method described in note 1) annually or more regularly where there are indicators of impairment.

The Group assesses the non-controlling interests during a takeover either at fair value (full goodwill method) or on the basis of their proportional share in the net assets of the company acquired (partial goodwill method). The method is decided according to each acquisition.

#### *Intangible fixed assets*

##### **Separately acquired assets**

These correspond to software packages acquired and recognized at acquisition cost and software packages, and customer relationships assessed at fair value as part of the reallocation of acquisition prices of entities as part of a business combination. These assets are amortized on a straight-line basis over three to seven years according to their estimated useful life.

##### **Internally generated assets**

In the application of IAS 38 *Intangible assets*:

- expenditure on research is recognized as an expense in the fiscal year in which it is incurred;
- software development expenses are recognized as intangible if, and only if, the following six criteria are met:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale,
  - the intention to complete the intangible asset and use or sell it,
  - the ability to use or sell the intangible asset,
  - how the intangible asset will generate probable future economic benefits,
  - the availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset,
  - its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenses thus transferred to the asset include direct labor costs. Other development expenses are booked when they are incurred.

Development costs are amortized over the probable life span of the project, which is generally seven years.

#### *Property, plant and equipment*

Property, plant and equipment comprises fixtures and fittings, office furniture and equipment, and computer hardware.

Property, plant and equipment is booked at acquisition cost, less cumulated depreciation/amortization and expected loss in value. They are not subject to any reassessment.

The Group factors in the carrying amount of a tangible asset, for the cost of replacement of a component of the tangible asset when this cost is incurred if the economic benefits projected for the asset are for the Group and if its cost can be assessed reliably. All current upkeep and maintenance costs are recorded as expenses when they are incurred.

Depreciation is calculated on a straight-line basis, applying the expected useful life of the different asset categories:

|   |              |
|---|--------------|
| Buildings, facilities                               | 5 – 10 years |
| Fixtures and fittings                               | 4 – 10 years |
| Office furniture, office equipment and IT equipment | 3 – 8 years  |
| Transport equipment                                 | 4 – 5 years  |

Depreciation is calculated on the acquisition cost, less any residual value. The residual value and the useful life are reviewed at the end of each fiscal year.

There are no leases that transfer substantially all the risks and benefits inherent in ownership of an asset. The lease agreements are simple operating leases.

#### *Impairment of assets*

IAS 36 *Impairment of Assets* requires the assessment at each reporting date of whether there is any indication that an asset may be impaired. If such indication exists, the entity must assess the recoverable value of the asset.

An entity must also, even in the absence of such impairment:

- test annually an intangible asset with an indefinite useful life;
- perform an impairment test on goodwill acquired in a business combination.

Impairment tests are performed at cash generating unit level (CGU) affecting the assets. A CGU is 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.

Impairment tests compare the carrying amount and the recoverable amount of cash generating units. The recoverable amount of a CGU represents the highest value between its fair value (generally market price) and its value in use.

The value in use of a CGU is determined according to the discounted future cash flow method:

- flows relating to a 3-year forecasting period;
- flows after this 3-year period calculated by applying an infinite growth rate.

If the carrying amount of the CGU exceeds its recoverable amount, the assets of the CGU must be reduced to their recoverable amount and an impairment loss must be recognized. The impairment loss is entered as goodwill and recognized in the income statement in the section *Other Operating Costs*.

CGU segmentation applied by the Group, and the calculation parameters used for the impairment tests, are given in note 1.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash, demand deposits, and other investments held for the purpose of meeting short-term cash commitments.

IAS 7 defines cash equivalents as short-term, highly liquid investments that are easily convertible into a known amount of cash and subject to negligible risk of change in value.

#### *Treasury shares and other equity instruments*

Shares held by the Group are recognized as a deduction from equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in equity without affecting the result.

In addition, in accordance with IAS 32, shareholders' equity includes subordinated perpetual securities that meet the definition of an equity instrument.

#### *Employee benefits*

For the defined contribution plans, the Group's payments are indicated as expenses in the fiscal year in which they are incurred.

For the defined contribution plans for post-employment benefits, the contribution costs are estimated using the projected credit unit method. According to this method, the contribution rights are allocated in the periods of service

according to the acquisition formula for the plan rights, taking into account a straight-line effect when the rate of acquisition of rights is not uniform during future service periods.

The amounts of future payments corresponding to employee-agreed benefits are assessed on the assumption of future salary increase, end-of-career age, life expectancy, then brought to their current value on the basis of the interest rate of the long-term obligations of the first category issuers.

When the calculation assumptions are revised, the resulting actuarial gains and losses are fully recognized in reserves in accordance with IAS 19. The Group does not apply the corridor approach.

The cost for the fiscal year, corresponding to the sum of the cost of services rendered, of the discounted cost less the performance expected of the assets in the plan, is entirely recognized in "Personnel costs."

#### *Stock-based payment*

IFRS 2 "Share-based Payment" deals with transactions performed with employees or other third parties where payment is based on stock.

Its application in the Group concerns stock options granted to employees and free stock allocated to specific employees. According to the option offered by IFRS 1, only stock options allocated from November 7, 2002, and where the exercise date is after December 31, 2004 have been taken into account.

The cost of stock options and free stock plans is determined in relation to the fair value of the equity instruments granted, valued at the allocation date.

The fair value of free stock is determined in relation to the current market value at the allocation date, taking into account the potential dividends paid by the company between the allocation date and the vesting date.

The cost of transactions settled in stock is accounted as an expense, offsetting a corresponding increase in shareholders' equity, for the duration ending on the date on which the employee becomes fully entitled to the allocation. No expense has been recognized for benefits where the holders do not fulfill the conditions required to acquire a definitive claim.

This accounting is done by entry in "Personnel costs", offset directly in shareholders' equity under "Issue premiums".

#### *Provisions*

A provision is accounted for where there is an obligation to a third party arising before the end of the fiscal year and when the loss or liability is probable and can be assessed reliably.

#### *Trade and other payables*

Trade and other payables are assessed at their fair value during initial accounting, then at amortized cost.

#### *Revenue recognition*

##### **"Software" activity**

Software services include:

- the right to use (license) software and solutions;
- maintenance;
- associated services: installation, configuration, adaptation, training, etc.
- IBM royalties.

The license is accounted for upon delivery, which must be considered fulfilled when all the contractual obligations have been met, i.e., when the services still remaining to be provided are not significant and unlikely to compromise the customer's acceptance of the products delivered or services rendered.

Maintenance, usually billed in advance, is recognized on a pro rata basis.

The services are usually provided on an ongoing basis and are recorded after they are performed, i.e. generally at the time of billing.

The revenue is made up of IBM royalties where quarterly accounting is done during collection. A provision is recorded at the end of the period. In the absence of information from IBM on the date of publication of the revenue, this provision is determined, as a precautionary measure, by taking the lowest amount in dollars received during the last four quarters, adjusted for cancellations of royalties on sales canceled from one quarter to the next.

## “Services” activity

### **Technical assistance services, consulting, training and projects provided on an ongoing basis**

They are recognized when the service is provided, i.e. generally at the time of billing.

The production is examined at each closing of accounts:

- services rendered but not yet or only partially invoiced are valued according to the contractual selling price and billable time spent. They are recorded as revenue and appear in the balance sheet in “Invoices to be prepared” under “Accounts receivable”;
- Services billed but not yet fully performed are deducted from billed turnover and are recorded as liabilities on the balance sheet under “Deferred income” and “Other liabilities”.

### **Fixed-price services**

These contracts are characterized by a commitment in terms of price, compliance and time. Services corresponding to this type of contract are recorded according to the percentage of completion method, as follows:

- the turnover and the profit generated on the contract are recorded according to the estimate of progress made;
- the amount recognized at each closing of the accounts is obtained by the difference between the budget and the amount reserved to cover the total number of man-days remaining to be performed. It is recorded either in “Invoices to be prepared” in “Accounts receivable” or under “Deferred income” in “Other liabilities” according to the billing carried out.

### **Subsidies**

As part of the growth of its IT projects, the Group spends money on research and development and, as such, can benefit from a Research Tax Credit. IAS 20 requires companies to allocate government subsidies to the costs, charges or assets they are supposed to offset. The research tax credit is considered to be a public subsidy and must therefore be related either to development costs, which it partly offsets, or to decreasing personnel costs.

### **Income tax**

Income tax (expense or income) includes the current tax expense or income and the deferred tax expense or income. Tax is recognized in profit or loss unless it relates to items that are recognized directly in equity in which case it is recognized in equity.

Current tax is the estimated amount of tax payable for taxable profit for a period, determined using tax rates that were enacted or substantively enacted at the balance sheet date, and any adjustment in the amount of tax payable for previous periods.

Deferred tax is determined using the liability method on the basis of the tax rates known at closing for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The following items do not give rise to the recognition of deferred taxes:

- goodwill not tax deductible;
- the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit;
- temporary differences related to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

The valuation of deferred tax assets and liabilities is based on the way in which the Group expects to recover or settle the carrying amount of assets and liabilities, using the tax rates that have been adopted or substantively enacted at the closing date.

A deferred tax asset is recognized only to the extent that it is probable that the Group will have future taxable profits against which this asset can be attributed.

The additional tax resulting from the distribution of dividends is recognized when the dividends payable are recognized as liabilities.



On January 14, 2010, the Accounting Standards Authority (ANC) issued a notification related to the accounting treatment of the Value Added Contribution of Companies (CVAE), a component of the Territorial Economic Contribution. The ANC states that it is up to each company to exercise its judgment, given its own situation, to determine the qualification of the CVAE.

The **Infotel** Group considers that the CVAE recorded in its accounts falls within the scope of IAS 12.

As such, the consequences are the recognition of deferred income taxes for all temporary differences on all balance sheet assets and liabilities. Depreciable assets representing at least future income subject to the tax fall within the scope of IAS 12 for the recognition of deferred tax liabilities.

#### *Earnings per share*

Consolidated basic earnings per share is calculated based on the weighted average number of common shares outstanding during the year.

Consolidated diluted earnings per share is calculated based on the weighted average number of shares outstanding plus the number of shares that would result from the exercise of stock options and the number of bonus shares that may be granted.

#### *Segment Reporting*

According to IFRS 8, segment reporting is based on the internal management data used by the company Management.

An operating segment is a component of the entity:

- corresponding to an activity that can generate revenue and for which expenses are incurred, even when this revenue and expenses relate to other components of the entity;
- whose operating results are regularly reviewed by the entity's chief operating decision-maker in order to allow the allocation of resources to the various segments and the assessment of their performance;
- for which separate financial information is available.

The two sectors identified are therefore "Services" and "Software" as previously described.

## 18.2.6.6. Statement of Facts and Scope of Consolidation

### Legal transactions

- Infotel Conseil has renewed its approval for the research tax credit for a period of three years.
- In 2022, Infotel UK Consulting acquired the shares of SMURK IT based in India.

### Audits

- There were no audits in 2022.

### List of consolidated companies as of December 31, 2022

| Company name                 | Headquarters  | SIREN No.                 | Consolidation method               | % control | % interest | Country of activity |
|------------------------------|---|---------------------------|------------------------------------|-----------|------------|---------------------|
| Infotel SA                   | Le Valmy<br>4/16 avenue Léon Gaumont<br>75020 Paris                               | 317 480 135               | Parent company - Head of the group |           |            | France              |
| Infotel Conseil SA           | 13 rue Madeleine Michelis<br>92200 Neuilly sur Seine                              | 344 122 262               | Full consolidation                 | 100%      | 100%       | France              |
| OAI0                         | 13 rue Madeleine Michelis<br>92200 Neuilly sur Seine                              | 838 059 152               | Full consolidation                 | 65%       | 65%        | France              |
| Coach'IS                     | 26 avenue René Cassin<br>69009 Lyon   | 418 951 000               | Full consolidation                 | 100%      | 100%       | France              |
| Collaboratif                 | 26 avenue René Cassin<br>69009 Lyon   | 539 038 731               | Full consolidation                 | 100%      | 100%       | France              |
| Insoft Infotel Software GmbH | Sternstr. 9-11<br>40479 Düsseldorf  | 10357360260               | Full consolidation                 | 100%      | 100%       | Germany             |
| Infotel Corporation          | PO Box 5158<br>Gulfport, FL 33737   | 592 644 116               | Full consolidation                 | 100%      | 100%       | United States       |
| Infotel Consulting UK        | 5 Jupiter Court<br>Orion Business Park<br>North Shields<br>Tyne & Wear - NE29 7SE | 09394161                  | Full consolidation                 | 51%       | 51%        | UK                  |
| Infotel Monaco               | 2 rue du Rocher<br>98000 Monaco   | 01 S 03972                | Full consolidation                 | 100%      | 100%       | Monaco              |
| Smurk IT India               | Amarasi Towers, No. 455<br>Block 75<br>Anna Sali – Teynampet<br>Chennai-600 018   | U72200TN2021<br>FTC142170 | Full consolidation                 | 51%       | 51%        | India               |

## 18.2.6.7. Notes on the Financial Position

### Note 1 – Goodwill

Table showing changes in goodwill

The movements during 2022 are as follows:

| <i>In thousands of euros</i> | <b>12/31/2021</b> | <b>Changes in scope</b> | <b>Increase</b> | <b>Decrease</b> | <b>12/31/2022</b> |
|------------------------------|-------------------|-------------------------|-----------------|-----------------|-------------------|
| Infotel Conseil              | 9,970             |                         |                 |                 | 9,970             |
| Insoft Software GmbH         | 1,003             |                         |                 |                 | 1,003             |
| Groupe Coach'IS              | 431               |                         |                 |                 | 431               |
| ADS                          | 461               |                         |                 |                 | 461               |
| Smurk IT India               |                   |                         | 1,083           |                 | 1,083             |
| <b>Total</b>                 | <b>11,865</b>     |                         | <b>1,083</b>    |                 | <b>12,948</b>     |

The goodwill of Smurk IT India takes into account an earn-out arrangement over three years. The consideration for this earn-out is recorded in other liabilities.

### Breakdown of goodwill by CGU

The Group is segmented in Cash-Generating Units (CGU) in line with the operating organization and the management and reporting system. The group is organized in such a way that each subsidiary represents a CGU. For impairment testing requirements, from the acquisition date, the goodwill acquired in a business combination must be allocated to each of the acquirer's CGUs or groups of CGUs that are expected to benefit from business combination synergies, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

### Impairment tests

Impairment testing on goodwill is carried out annually on December 31, or more regularly if there are indications of impairment loss.

The CGU value in use is determined by the discounted future cash flow method (DCF) according to the following principles:

- Cash flows are issued with operating forecasts stated by management for the coming fiscal year with the growth forecasts for the following three years.
- The discount rate is 10%.
- The terminal value is calculated by summation in perpetuity of the discounted future cash flows, determined on the base of a normative cash flow and a perpetual growth rate. This growth rate is in line with the development potential of markets in which the entity operates, as well as its competitive position.
- The growth rate in perpetuity is 2%.

The resulting value in use is compared to the contributive value in the consolidated balance sheet of fixed assets, including goodwill. Impairment loss is recognized if this recoverable value is lower than the existing value entered in the accounts.

On December 31, 2022, the value test indicated that the goodwill was not overvalued and therefore, no impairment loss was recognized.

Reasonable changes in assumptions would not lead to any impairment.

Note 2 – Other intangible assets

| <i>In thousands of euros</i>         | 12/31/2021    | Changes in scope | Increase      | Decrease | 12/31/2022    |
|--------------------------------------|---------------|------------------|---------------|----------|---------------|
| <b>Assets</b>                        |               |                  |               |          |               |
| Right-of-use assets                  | 38,781        | 35               | 8,200         |          | 47,016        |
| Customer relationships               | 2,986         |                  |               |          | 2,986         |
| Development costs                    | 18,395        |                  | 1,007         |          | 19,402        |
| Patents and licenses                 | 1,077         |                  | 40            |          | 1,117         |
| Application software                 | 5,410         |                  | 1,687         |          | 7,097         |
| <b>Total</b>                         | <b>66,649</b> | <b>35</b>        | <b>10,934</b> | <b>0</b> | <b>77,618</b> |
| <b>Depreciation and Amortization</b> |               |                  |               |          |               |
| Right-of-use assets                  | 10,366        | 64               | 4,758         |          | 15,188        |
| Customer relationships               | 2,702         |                  | 71            |          | 2,773         |
| Development costs                    | 14,700        |                  | 1,175         |          | 15,875        |
| Patents and licenses                 | 1,031         |                  | 31            |          | 1,063         |
| Application software                 | 2,215         |                  | 1,198         |          | 3,412         |
| <b>Total</b>                         | <b>31,014</b> | <b>64</b>        | <b>7,233</b>  | <b>0</b> | <b>38,312</b> |
| <b>NET ASSETS</b>                    | <b>35,635</b> | <b>(30)</b>      | <b>3,701</b>  | <b>0</b> | <b>39,306</b> |

The development costs recognized in the Group's assets during the fiscal year refer to the Arcsys, HPU, Merge Backup, iDBA, DB/IQ, Deepeo, and Orlando projects. They are amortized over the probable life span of the project, which is generally seven years.

Note 3 – Property, plant and equipment

| <i>In thousands of euros</i>         | 12/31/2021    | Changes in scope | Increase     | Decrease  | 12/31/2022    |
|--------------------------------------|---------------|------------------|--------------|-----------|---------------|
| <b>Assets</b>                        |               |                  |              |           |               |
| Buildings                            | 0             |                  |              |           |               |
| Other assets                         | 14,322        | 61               | 1,921        | 70        | 16,234        |
| <b>Total</b>                         | <b>14,322</b> | <b>61</b>        | <b>1,921</b> | <b>70</b> | <b>16,234</b> |
| <b>Depreciation and Amortization</b> |               |                  |              |           |               |
| Buildings                            | 0             |                  |              |           | 0             |
| Other assets                         | 9,284         | 13               | 1,520        | 36        | 10,781        |
| <b>Total</b>                         | <b>9,284</b>  | <b>13</b>        | <b>1,520</b> | <b>36</b> | <b>10,781</b> |
| <b>NET ASSETS</b>                    | <b>5,038</b>  | <b>48</b>        | <b>401</b>   | <b>34</b> | <b>5,453</b>  |

Note 4 – Other financial assets

This includes mainly guarantee deposits.

Note 5 – Accounts receivable

| <i>In thousands of euros</i> | 12/31/2022    | 12/31/2021    |
|------------------------------|---------------|---------------|
| Accounts receivable          | 67,630        | 58,943        |
| Doubtful debts               | 0             | 0             |
| Invoices to be issued        | 6,682         | 17,852        |
| Impairment                   | (8)           | 1             |
| <b>Net value</b>             | <b>74,304</b> | <b>76,796</b> |

Changes in impairment break down as follows:

| <i>In thousands of euros</i>     | 12/31/2021 | Actuarial differences | Provisions | Use | Reversals | 12/31/2022 |
|----------------------------------|------------|-----------------------|------------|-----|-----------|------------|
| Trade receivables                | 1          |                       |            |     |           | 1          |
| <b>Provisions for impairment</b> | <b>1</b>   |                       |            |     |           | <b>1</b>   |

Statement of accounts receivable at 12/31/2022

| Statement of accounts receivable at 12/31/2022 | Total         | Not due | Due, less than 30 days | Due, less than 60 days | Due, less than 90 days | Due, more than 91 days |
|--|---------------|---------|------------------------|------------------------|------------------------|------------------------|
| Accounts receivable                            | <b>74,304</b> | 63,326  | 8,063                  | 1,517                  | 474                    | 924                    |
| %  | <b>100%</b>   | 85%     | 11%                    | 2%                     | 1%                     | 1%                     |

Statement of accounts receivable at 12/31/2020

| Statement of accounts receivable at 12/31/2021 | Total         | Not due | Due, less than 30 days | Due, less than 60 days | Due, less than 90 days | Due, more than 91 days |
|--|---------------|---------|------------------------|------------------------|------------------------|------------------------|
| Accounts receivable                            | <b>76,796</b> | 69,532  | 5,223                  | 1,013                  | 681                    | 347                    |
| %  | <b>100%</b>   | 91%     | 6%                     | 1%                     | 1%                     | 1%                     |

Note 6 – Other receivables

| <i>In thousands of euros</i>   | 12/31/2022    | 12/31/2021    |
|--|---------------|---------------|
| Social security receivables and tax receivables (excluding deferred taxes) | 7,768         | 6,766         |
| Miscellaneous receivables  | 0             | 34            |
| Prepaid expenses   | 3,366         | 3,277         |
| Advances and advance payments  | 12            | 13            |
| <b>Total</b>   | <b>11,146</b> | <b>10,090</b> |

Note 7 – Working capital requirement

| <i>In thousands of euros</i>       | 12/31/2022      | 12/31/2021      | Total change | Changes in scope | Change for the period |
|------------------------------------|-----------------|-----------------|--------------|------------------|-----------------------|
| Trade receivables                  | 74,304          | 76,796          | (2,492)      | 103              | (2,389)               |
| Suppliers                          | (33,927)        | (28,396)        | (5,531)      | 13               | (5,518)               |
| Other receivables                  | 11,146          | 10,090          | 1,056        | (117)            | 939                   |
| Other liabilities                  | (70,372)        | (81,926)        | 11,554       | 1                | 11,555                |
| <b>Working Capital Requirement</b> | <b>(18,849)</b> | <b>(23,436)</b> | <b>4,587</b> | <b>0</b>         | <b>4,587</b>          |

Note 8 – Cash and cash equivalents

| <i>In thousands of euros</i> | 12/31/2022     | 12/31/2021     |
|------------------------------|----------------|----------------|
| Marketable securities        | 45,000         | 45,062         |
| Cash on hand                 | 67,804         | 62,696         |
| <b>Cash assets</b>           | <b>112,804</b> | <b>107,758</b> |
| Bank overdraft               | 0              | 0              |
| <b>Cash liabilities</b>      | <b>0</b>       | <b>0</b>       |
| <b>Net cash</b>              | <b>112,804</b> | <b>107,758</b> |

Note 9 – Financial instrument assets

| <i>In thousands of euros</i> | 12/31/2022             |                | Analysis by instrument category   |                           |                       |                        |
|------------------------------|------------------------|----------------|-----------------------------------|---------------------------|-----------------------|------------------------|
|                              | Value in balance sheet | Fair value     | Fair value through profit or loss | Available-for-sale assets | Loans and receivables | Derivative instruments |
| Equity-accounted securities  |                        |                |                                   |                           |                       |                        |
| Non-current financial assets | 1,387                  | 1,387          |                                   |                           | 1,387                 |                        |
| Trade receivables            | 74,304                 | 74,304         |                                   |                           | 74,304                |                        |
| Other receivables            | 11,146                 | 11,146         |                                   |                           | 11,146                |                        |
| Current tax assets           |                        |                |                                   |                           |                       |                        |
| Cash                         | 112,804                | 112,804        | 112,804                           |                           |                       |                        |
| <b>Total Assets</b>          | <b>199,641</b>         | <b>199,641</b> | <b>112,804</b>                    |                           | <b>86,837</b>         |                        |

| <i>In thousands of euros</i> | 12/31/2021             |                | Analysis by instrument category   |                           |                       |                        |
|------------------------------|------------------------|----------------|-----------------------------------|---------------------------|-----------------------|------------------------|
|                              | Value in balance sheet | Fair value     | Fair value through profit or loss | Available-for-sale assets | Loans and receivables | Derivative instruments |
| Equity-accounted securities  |                        |                |                                   |                           |                       |                        |
| Non-current financial assets | 1,243                  | 1,243          |                                   |                           | 1,243                 |                        |
| Trade receivables            | 76,796                 | 76,796         |                                   |                           | 76,796                |                        |
| Other receivables            | 10,090                 | 10,090         |                                   |                           | 10,090                |                        |
| Current tax assets           | 0                      | 0              |                                   |                           | 0                     |                        |
| Cash                         | 107,758                | 107,758        | 107,758                           |                           |                       |                        |
| <b>Total Assets</b>          | <b>195,887</b>         | <b>195,887</b> | <b>107,758</b>                    |                           | <b>88,129</b>         |                        |

Note 10 – Shareholders' Equity

Changes in capital

At December 31, 2022, **Infotel's** capital stock was €2,756k. It comprised 6,890,558 fully paid-up shares with a par value of €0.40.

## Treasury stock

| <b>Movement in securities</b>                                 | <b>12/31/2022</b> | <b>12/31/2021</b> |
|---|-------------------|-------------------|
| Number of securities held at the beginning of the fiscal year | 2,146             | 2,479             |
| Number of securities bought                                   | 33,000            | 35,620            |
| Number of securities sold                                     | 31,716            | 35,953            |
| Number of securities held at the end of the fiscal year       | 3,430             | 2,146             |

| <b>Security value (in euros)</b>                   | <b>12/31/2022</b> | <b>12/31/2021</b> |
|--|-------------------|-------------------|
| Security value at the beginning of the fiscal year | 111,249           | 102,359           |
| Purchases of securities                            | 1,716,257         | 1,707,787         |
| Transfer of securities during the fiscal year      | 1,648,195         | 1,698,896         |
| Security value at the end of the fiscal year       | 179,311           | 111,249           |

Transfers are valued at the average price at the time of exit.

## Dividends

The Combined Shareholders' Meeting on May 25, 2022 decided to pay a dividend of €1.60 per share, paid in May 2022. Due to treasury stock holdings, the payment of dividends to third parties amounted to €11,025k.

## Note 11 – Provisions for risks and charges

| <i>In thousands of euros</i>            | <b>12/31/2021</b> | <b>Actuarial differences</b> | <b>Provisions</b> | <b>Use</b> | <b>Reversals</b> | <b>12/31/2022</b> |
|---|-------------------|------------------------------|-------------------|------------|------------------|-------------------|
| Disputes                                | 373               |                              |                   |            | 144              | 229               |
| Pensions                                | 3,630             | (943)                        | 336               |            |                  | 3,023             |
| Seniority bonuses                       | 484               | (47)                         |                   |            | 9                | 428               |
| Translation adjustments                 |                   |                              |                   |            |                  |                   |
| <b>Provisions for risks and charges</b> | <b>4,487</b>      | <b>(990)</b>                 | <b>336</b>        |            | <b>153</b>       | <b>3,680</b>      |

Provisions for disputes relate to pay disputes and a dispute with a supplier.

The criteria applied to determine the amount for pensions are as follows:

- Turnover among employees under 56 years old:
  - 13% for employees of Infotel Conseil, IBC and OAIO
- Turnover among employees over 56 years old:
  - 0.4% for the Group's entire workforce
- Discount rate: 3.65% for pensions (0.90% in 2021) and 3.60% for the 10-year seniority bonus (0.67% in 2021)
- Retirement age: 65
- Rate of increase in salaries for employees under 56 years old: 2.5%
- No increase in salaries is planned for employees over 56 years old
- Employer contribution rate: 45%.

The retirement provision for Group entities stood at €3,630k at the end of the 2022 fiscal year.

The company has chosen to offset actuarial differences directly in the consolidated reserves.

Note 12 – Accounts payable and other current liabilities

Accounts payable and other current liabilities are distributed as follows:

| <i>In thousands of euros</i>        | 12/31/2022     | 12/31/2022     |
|-------------------------------------|----------------|----------------|
| Current lease liabilities           | 5,045          | 4,190          |
| Suppliers                           | 33,927         | 28,396         |
| Social security and tax liabilities | 40,971         | 40,230         |
| Other liabilities                   | 1,153          | 0              |
| Deferred income                     | 29,332         | 41,696         |
| <b>Total</b>                        | <b>110,428</b> | <b>114,512</b> |

All liabilities mature in less than one year, with the exception of other liabilities corresponding to the earn-out arrangement related to the acquisition of Smurk IT India, which will be payable in 2026.

Note 13 – Financial instrument liabilities

| <i>In thousands of euros</i>  | 12/31/2022             |                | Analysis by instrument category   |                   |                         |                        |
|-------------------------------|------------------------|----------------|-----------------------------------|-------------------|-------------------------|------------------------|
|                               | Value in balance sheet | Fair value     | Fair value through profit or loss | Other liabilities | Debts at amortized cost | Derivative instruments |
| Non-current lease liabilities | 29,105                 | 29,105         |                                   | 29,105            |                         |                        |
| Current lease liabilities     | 5,045                  | 5,045          |                                   | 5,045             |                         |                        |
| Suppliers                     | 33,927                 | 33,927         |                                   | 33,927            |                         |                        |
| Other liabilities             | 71,455                 | 71,455         |                                   | 71,455            |                         |                        |
| Current tax liabilities       | 784                    | 784            |                                   | 784               |                         |                        |
| <b>Total liabilities</b>      | <b>140,316</b>         | <b>140,316</b> |                                   | <b>140,316</b>    |                         |                        |

| <i>In thousands of euros</i>  | 12/31/2021             |                | Analysis by instrument category   |                   |                         |                        |
|-------------------------------|------------------------|----------------|-----------------------------------|-------------------|-------------------------|------------------------|
|                               | Value in balance sheet | Fair value     | Fair value through profit or loss | Other liabilities | Debts at amortized cost | Derivative instruments |
| Non-current lease liabilities | 26,470                 | 26,470         |                                   | 26,470            |                         |                        |
| Current lease liabilities     | 4,190                  | 4,190          |                                   | 4,190             |                         |                        |
| Suppliers                     | 28,396                 | 28,396         |                                   | 28,396            |                         |                        |
| Other liabilities             | 81,926                 | 81,926         |                                   | 81,926            |                         |                        |
| Current tax liabilities       | 394                    | 394            |                                   | 394               |                         |                        |
| <b>Total liabilities</b>      | <b>141,376</b>         | <b>141,376</b> |                                   | <b>141,376</b>    |                         |                        |



Note 14 – Deferred taxes

| <i>In thousands of euros</i>  | 12/31/2021   | Actuarial differences | Change for the period | 12/31/2022   |
|---|--------------|-----------------------|-----------------------|--------------|
| <b>Deferred tax assets</b>  |              |                       |                       |              |
| associated with employee benefits   | 1,029        |                       | (166)                 | 863          |
| associated with profit sharing  | 796          |                       | 222                   | 1,018        |
| associated with tax loss carryforwards  | 229          |                       | (39)                  | 190          |
| <b>Total</b>  | <b>2,053</b> |                       | <b>17</b>             | <b>2,071</b> |
| <b>Deferred tax liabilities</b>   |              |                       |                       |              |
| associated with offsetting of statutory provisions                            |              |                       |                       |              |
| associated with customer relationships  | 64           |                       | (18)                  | 46           |
| associated with adjustment of the loss in value on the exchange of securities |              |                       |                       |              |
| associated with temporary differences   |              |                       |                       |              |
| associated with CVAE  |              |                       |                       |              |
| <b>Total</b>  | <b>64</b>    |                       | <b>(18)</b>           | <b>46</b>    |

## 18.2.6.8. Notes on the Consolidated Income Statement

### Note 15 – Revenue

The Group's revenue comprises two activities:

- IT services for companies,
- Software publishing.

Software includes IBM royalties, the sale and leasing of software as well as related services, and product maintenance.

Services include businesses providing contractor and project management support, as well as advice around digitalization. The Group's commercial offering is primarily a comprehensive and cross-functional offering.

### Note 16 - External expenses

| <i>In thousands of euros</i> | <b>2022</b>    | <b>2022</b>    |
|------------------------------|----------------|----------------|
| Sub-contracting              | 131,395        | 109,011        |
| Other external expenses      | 11,662         | 9,982          |
| <b>Total</b>                 | <b>143,057</b> | <b>118,983</b> |

### Note 17 – Personnel costs and workforce

The Group's average internal productive headcount (including paid interns and work-study contracts) for the year ended December 31, 2022 was 1,827 people. In the 2021 fiscal year, the headcount was 1,704. Given the nature of the activity, personnel is mainly made up of managers.

| <i>In thousands of euros</i>   | <b>2022</b>    | <b>2021</b>    |
|--|----------------|----------------|
| Remuneration   | 80,247         | 75,708         |
| Social security costs  | 32,786         | 31,385         |
| Free shares  | 0              | 2,620          |
| Profit sharing   | 4,073          | 3,181          |
| End-of-career benefits   | 327            | 54             |
| Provision for employee disputes                                      | (138)          | 115            |
| Capitalized development costs  | (3,097)        | (2,659)        |
| Research tax credit on unrecognized personnel costs                  | (35)           | (55)           |
| Amortization of the research tax credit related to development costs | (476)          | (478)          |
| Employee-related reimbursements and expenditure transfers            | (75)           | (329)          |
| <b>Total personnel costs</b>   | <b>113,613</b> | <b>109,539</b> |

Note 18 - Net financial income

| <i>In thousands of euros</i>                 | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
| Interest on term accounts                    | 135          | 190          |
| Interest on current accounts                 |              |              |
| <b>Income from cash and cash equivalents</b> | <b>135</b>   | <b>190</b>   |
| Foreign exchange gains                       | 205          | 129          |
| Foreign exchange losses                      | (67)         | (36)         |
| Interest - IFRS 16                           | (892)        | (637)        |
| <b>Other financial income/expenses</b>       | <b>(754)</b> | <b>(544)</b> |
| <b>Net financial income</b>                  | <b>(619)</b> | <b>(354)</b> |

Note 19 - Income tax

The income tax expense results from:

| <i>In thousands of euros</i> | <b>2022</b>  | <b>2021</b>  |
|------------------------------|--------------|--------------|
| Tax payable for the year     | 7,001        | 6,422        |
| Deferred income tax          | (283)        | (299)        |
| CVAE                         | 1,196        | 1,099        |
| <b>Income tax</b>            | <b>7,914</b> | <b>7,222</b> |

The tax analysis is as follows:

| <i>In thousands of euros</i>                                 | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
| Net income before equity-accounted associates                | 21,252       | 14,372       |
| Income tax   | 7,914        | 7,222        |
| Profit before tax  | 29,166       | 21,594       |
| Current corporate tax rate applicable to the parent company  | 25%          | 28%          |
| <b>Theoretical income tax</b>                                | <b>7,292</b> | <b>5,938</b> |
| Company car tax and non-deductible depreciation/amortization | 23           | 16           |
| Temporary and interest rate differences                      | 0            | 19           |
| Share of fees and expenses                                   | 25           | 21           |
| Tax credits and tax subsidies                                | (31)         | (15)         |
| Income from Monaco   | (325)        | (320)        |
| Income from Groupe Coach'IS                                  | (15)         | (24)         |
| Income from Infotel Corp                                     | (10)         | 72           |
| Income from Infotel UK Consulting Ltd                        | (68)         | (74)         |
| Income from Insoft Infotel Software                          | 24           | 18           |
| Income from Smurk IT India                                   | (16)         |              |
| Free shares awarded  | 0            | 589          |
| Additional tax on profits (CSB)                              | 197          | 161          |
| CVAE net of corporate income tax                             | 897          | 797          |
| Change in corporate tax rate                                 | 0            | 8            |
| Other  | (79)         | (10)         |
| <b>Tax expense recognized</b>                                | <b>7,914</b> | <b>7,197</b> |

Note 20 - Non-controlling interests

Non-controlling interests relate to OAIO (65%-owned by the Group), Infotel Consulting UK (51%-owned) and its subsidiary Smurk IT India (51%-owned).

Note 21 – Earnings per share

|  | 2022      | 2021      |
|--|-----------|-----------|
| Net income (Group share)                                       | 20,314    | 13,702    |
| Number of shares comprising the capital stock                  | 6,890,558 | 6,890,958 |
| o/w treasury stock   | 2,146     | 2,146     |
| Average number of shares during the fiscal year                | 6,888,412 | 6,888,412 |
| Earnings per share   | 2.95      | 1.99      |
| Average number of outstanding potential dilutive stock options | 0         | 0         |
| Average number of outstanding free shares                      | 0         | 0         |
| Average number of dilutive shares of capital stock             | 0         | 0         |
| Diluted earnings per share                                     | 2.95      | 1.99      |

### 18.2.6.9. Segment Reporting

Infotel Group's activity consists of two segments, one related to Software and the second related to Services.

#### Statement of revenue by segment

| In thousands of euros | 2022     |          |                | 2021     |          |                |
|-----------------------|----------|----------|----------------|----------|----------|----------------|
|                       | Software | Services | Total          | Software | Services | Total          |
| Revenue               | 10,522   | 289,896  | <b>300,418</b> | 8,471    | 254,971  | <b>263,442</b> |

#### Breakdown of Software products

| In thousands of euros                                      | 2022          | 2021         |
|--|---------------|--------------|
| IBM royalties  | 5,024         | 3,893        |
| Sales - Software rental                                    | 2,291         | 2,127        |
| Maintenance and Services Associated with Sales and Rentals | 3,207         | 2,451        |
| <b>TOTAL</b>   | <b>10,522</b> | <b>8,471</b> |

IT services include businesses providing contractor and project management support, as well as advice around digitalization. The Group's commercial offering is primarily a comprehensive and cross-functional offering.

#### Distribution of revenue by geographical region

| In thousands of euros | 2022           | %           | 2021           | %           |
|-----------------------|----------------|-------------|----------------|-------------|
| France                | 270,658        | 90.1%       | 231,338        | 87.8%       |
| Europe                | 24,077         | 8.0%        | 27,688         | 10.5%       |
| United States         | 5,683          | 1.9%        | 4,416          | 1.7%        |
| Total                 | <b>300,418</b> | <b>100%</b> | <b>263,442</b> | <b>100%</b> |

#### Customers representing more than 10% of revenue

Only two customers represent more than 10% of consolidated revenue.

#### Distribution of assets by segment

| In thousands of euros | 12/31/2022    |                | 12/31/2021    |                |
|-----------------------|---------------|----------------|---------------|----------------|
|                       | Software      | Services       | Software      | Services       |
| Non-current assets    | 20,965        | 40,669         | 20,965        | 34,844         |
| Current assets        | 16,437        | 181,817        | 16,580        | 178,088        |
| Total                 | <b>36,932</b> | <b>222,486</b> | <b>37,545</b> | <b>212,932</b> |

## 18.2.6.10. Supplementary Information

### *Financial risk factors*

#### **Credit risk**

With regard to the credit risk relating to the Group's financial assets, which mainly concerns customer receivables, the Group's exposure is linked to the potential default by the third parties in question.

Customer receivables are monitored on an ongoing basis. An analysis of the age of past due and non-impaired financial assets is presented in "Note 5 – Accounts receivable" on page 125.

#### **Liquidity Risk**

According to the definition given by the Autorité des Marchés Financiers, liquidity risk occurs when the maturity of a company's assets is longer than that of its liabilities, which means it would be unable to repay its short-term debts if it cannot mobilize its assets or obtain new bank credit lines.

The Group considers it is not exposed to this risk as it has no borrowings and excess cash.

#### **Market risks**

##### *a. Interest rate risk*

Since the Group has no financial debt, it is not exposed to changes in interest rates.

##### *b. Foreign exchange risk*

Foreign exchange risk mainly concerns IBM royalties, which are denominated in dollars, and the invoicing of royalties by the Group to the US subsidiary. This risk is not subject to specific hedging.

At December 31, 2022, the net value of assets and liabilities recognized by the entities of the Group in currencies other than the euro stood at:

- for the dollar, \$945k or €886k (\$103k or €92k as of December 31, 2021). It consists of the net assets of the US subsidiary, IBM royalties from the fourth quarter of 2022, and the cash held in US dollars by Infotel Conseil;
- for pound sterling, £1,801k or €2,030k (£1,169k or €1,139k on December 31, 2021). It consists solely of the net assets of the UK subsidiary;
- for the Indian rupee, INR 11,007 or €124k, consisting solely of the net assets of the Indian subsidiary.

##### *c. Equity risk*

The marketable securities held by the Group consist exclusively of money market UCITS. The risk linked to changes in the financial markets is therefore limited.

Moreover, **Infotel** held 3,430 of its own shares at December 31, 2022, representing a total amount of €179,311, with an average purchase price of €52.28.

### *Off-balance sheet commitments*

Real estate commitments are associated with leases (excluding IFRS 16) according to the French regulation on commercial leases, called "3-6-9" leases. Commitments are valued using the maximum exposure.

|  | Less than a year | Between 1 and 5 years | More than 5 years |
|--|------------------|-----------------------|-------------------|
| Commercial lease commitments (excluding IFRS 16) | 0                | 0                     | 0                 |

To the best of **Infotel** Group's knowledge, the presentation of off-balance sheet commitments does not omit any material off-balance sheet commitments in accordance with current accounting standards.

Statutory Auditors' Fees

| In €k  | Audit Consultants Associés |     | Constantin Associés  |     | Audit Consultants Associés |     | Constantin Associés  |     |
|--|----------------------------|-----|----------------------|-----|----------------------------|-----|----------------------|-----|
|  | 2022                       |     | 2022                 |     | 2021                       |     | 2021                 |     |
|  | Amount (excl. taxes)       | %   | Amount (excl. taxes) | %   | Amount (excl. taxes)       | %   | Amount (excl. taxes) | %   |
| <b>Audit</b>   |                            |     |                      |     |                            |     |                      |     |
| - Statutory audit, certification and review of the individual and consolidated financial statements    |                            |     |                      |     |                            |     |                      |     |
| - Issuer   | 55                         | 44  | 71                   | 46  | 52                         | 43  | 62                   | 51  |
| - Fully consolidated subsidiaries  | 71                         | 56  | 51                   | 33  | 68                         | 57  | 48                   | 39  |
| - Other due diligence and services directly related to the statutory auditor's assignment              |                            |     |                      |     |                            |     |                      |     |
| - Issuer   |                            |     |                      |     |                            |     |                      |     |
| - Fully consolidated subsidiaries  |                            |     |                      |     |                            |     |                      |     |
| <i>Sub-total</i>   | 126                        | 100 | 122                  | 79  | 120                        | 100 | 110                  | 90  |
| <b><u>Other services provided by the auditors' networks to fully consolidated subsidiaries (*)</u></b> |                            |     |                      |     |                            |     |                      |     |
| - CSR  |                            |     | 15                   | 10  |                            |     | 12                   | 10  |
| - ESEF   |                            |     | 20                   | 12  |                            |     |                      |     |
| <i>Sub-total</i>   |                            |     | 32                   | 22  |                            |     | 12                   | 10  |
| <b>TOTAL</b>   | 126                        | 100 | 157                  | 100 | 120                        | 100 | 122                  | 100 |

*Contingent liabilities*

To the best of our knowledge, there are no other liabilities that may have, or have had in the recent past, a material impact on the business, results, financial position and assets of **Infotel** and its subsidiaries.

*Post-balance sheet events*

- On January 25, 2023, the Board of Directors decided to award 44,233 free shares to be issued on January 25, 2024 with a mandatory three-year retention period.
- Infotel Conseil is in the process of acquiring a company in Morocco.

*Related party transactions*

**Remuneration of senior managers**

The gross remuneration allocated to management for functions performed in the **Infotel** Group for 2022 was €846k. The Group has not assumed any commitment regarding post-employment benefits for its directors (pensions, severance pay, etc.).

**Other transactions**

There are no other transactions with related parties.

### 18.3. ANNUAL FINANCIAL STATEMENTS

#### 18.3.1. Balance Sheet – Assets

| <i>Amounts in €</i>                       | <b>Gross</b>      | <b>Amortization/<br/>depreciation</b> | <b>Net at<br/>12/31/2022</b> | <b>Net at<br/>12/31/2021</b> |
|---|-------------------|---------------------------------------|------------------------------|------------------------------|
| <b>ASSETS</b>                             |                   |                                       |                              |                              |
| <b>Intangible fixed assets</b>            |                   |                                       |                              |                              |
| Research and development costs            | 26,644,922        | 21,418,739                            | 5,226,183                    | 5,467,963                    |
| Concessions, patents and similar rights   | 634,019           | 590,207                               | 43,812                       | 44,343                       |
| Business assets                           | 285,978           |                                       | 285,978                      | 285,978                      |
| <b>Property, plant and equipment</b>      |                   |                                       |                              |                              |
| Buildings                                 |                   |                                       |                              |                              |
| Other tangible assets                     | 3,067,275         | 1,397,935                             | 1,669,339                    | 1,804,287                    |
| Current fixed assets                      |                   |                                       |                              | 13,936                       |
| <b>Financial assets</b>                   |                   |                                       |                              |                              |
| Investments and related receivables       | 9,975,246         |                                       | 9,975,246                    | 9,975,246                    |
| Other financial assets                    | 433,153           |                                       | 433,153                      | 415,370                      |
| <b>TOTAL FIXED ASSETS</b>                 | <b>41,040,593</b> | <b>23,406,881</b>                     | <b>17,633,712</b>            | <b>18,007,122</b>            |
| <b>Inventories</b>                        |                   |                                       |                              |                              |
| <b>Advances and prepayments on orders</b> |                   |                                       |                              | 1,386                        |
| <b>Receivables</b>                        |                   |                                       |                              |                              |
| Accounts receivable                       | 2,686,238         |                                       | 2,686,238                    | 2,408,543                    |
| Supplier accounts receivable              | 0                 |                                       | 0                            | 0                            |
| Government, Income tax                    | 0                 |                                       | 0                            | 0                            |
| Government, Taxes on revenue              | 744,901           |                                       | 744,901                      | 667,077                      |
| Other receivables                         | 1,071,069         |                                       | 1,071,069                    | 2,357,255                    |
| <b>Other</b>                              |                   |                                       |                              |                              |
| Marketable securities                     | 179,311           |                                       | 179,311                      | 111,249                      |
| Cash on hand                              | 10,106,645        |                                       | 10,106,645                   | 7,717,676                    |
| Prepaid expenses                          | 680,785           |                                       | 680,785                      | 633,426                      |
| <b>TOTAL CURRENT ASSETS</b>               | <b>15,468,948</b> |                                       | <b>15,468,948</b>            | <b>13,896,612</b>            |
| Translation adjustments - Assets          | 9,007             |                                       | 9,007                        | 2,020                        |
| <b>ACCRUAL ACCOUNTS</b>                   | <b>9,007</b>      |                                       | <b>9,007</b>                 | <b>2,020</b>                 |
| <b>TOTAL ASSETS</b>                       | <b>56,518,547</b> | <b>23,406,881</b>                     | <b>33,111,666</b>            | <b>31,905,754</b>            |



### 18.3.2. Balance Sheet – Liabilities

| <i>Amounts in €</i>                              | <b>Net at<br/>12/31/2022</b> | <b>Net at 12/31/2021</b> |
|--|------------------------------|--------------------------|
| <b>LIABILITIES</b>                               |                              |                          |
| Capital stock or individual capital              | 2,756,223                    | 2,756,223                |
| Issue, merger, contribution premiums, etc.       | 7,410,179                    | 7,410,179                |
| Statutory reserve                                | 275,622                      | 272,851                  |
| Other reserves                                   | 362,592                      | 362,592                  |
| Retained earnings                                | 7,973,799                    | 7,948,720                |
| <b>Income for the year</b>                       | <b>12,151,932</b>            | <b>11,048,555</b>        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                | <b>30,930,348</b>            | <b>29,799,120</b>        |
| <b>TOTAL OTHER EQUITY</b>                        |                              |                          |
| Provision for foreign exchange losses            | 9,007                        | 2,020                    |
| Provision for charges                            | 0                            | 6,1820                   |
| <b>TOTAL PROVISIONS FOR RISKS AND EXPENSES</b>   | <b>9,007</b>                 | <b>8,202</b>             |
| <i>Overdrafts and bank loans</i>                 | 1,173                        | 1,414                    |
| Loans and debts payable to credit institutions   | 1,173                        | 1,414                    |
| Loans and other financial debts - Affiliates     | 61,296                       | 79,019                   |
| Accounts payable                                 | 1,030,504                    | 784,319                  |
| <i>Personnel</i>                                 | 6,000                        | 6,000                    |
| <i>Social security bodies</i>                    | 50,575                       | 48,801                   |
| <i>Government, Income tax</i>                    | 489,486                      | 450,555                  |
| <i>Government, Taxes on revenue</i>              | 46,770                       | 89,470                   |
| <i>Other tax and social security liabilities</i> | 28,613                       | 82,491                   |
| Tax and social security liabilities              | 621,443                      | 677,317                  |
| Liabilities on fixed assets                      | 0                            | 0                        |
| Other liabilities                                | 0                            | 450                      |
| Deferred income                                  | 391,502                      | 555,913                  |
| <b>TOTAL DEBT</b>                                | <b>2,105,918</b>             | <b>2,098,432</b>         |
| Translation adjustments - Liabilities            | 66,393                       |                          |
| <b>TOTAL LIABILITIES</b>                         | <b>33,111,666</b>            | <b>31,905,754</b>        |

### 18.3.3. Income Statement

| <i>Amounts in €</i>  | <b>12/31/2022</b> | <b>12/31/2021</b> |
|--|-------------------|-------------------|
| <b>Operating income</b>  |                   |                   |
| Sales of goods   |                   |                   |
| Production sold (goods)  |                   |                   |
| Production sold (services)   | 10,666,825        | 9,531,368         |
| <b>Net revenue</b>   | <b>10,666,825</b> | <b>9,531,368</b>  |
| Stored production  |                   |                   |
| Production capitalized   |                   |                   |
| Operating subsidies  |                   |                   |
| Write-backs of depreciation/amortization and provisions, expenditure transfers | 1,423,527         | 1,423,022         |
| Other income   | 3                 | 9                 |
| <b>Total operating income (I)</b>  | <b>12,090,355</b> | <b>10,954,399</b> |
| <b>Operating expenses</b>  |                   |                   |
| Purchase of goods  |                   |                   |
| Change in inventory  |                   |                   |
| Purchase of raw materials and other supplies                                   |                   |                   |
| Change in inventory  |                   |                   |
| Other purchases and external expenses  | 7,393,241         | 6,454,668         |
| Taxes and similar payments   | 225,286           | 165,283           |
| Salaries and wages   | 847,059           | 845,808           |
| Social security costs  | 320,704           | 320,946           |
| Operating allowances:  |                   |                   |
| - On fixed assets: depreciation and amortization                               | 1,933,775         | 2,049,815         |
| - On fixed assets: provisions  |                   |                   |
| - On current assets: provisions  |                   |                   |
| - For risks and charges: provisions  |                   | 6,182             |
| Other expenses   | 8,036             | 7,224             |
| <b>Total operating expenses (II)</b>   | <b>10,728,101</b> | <b>9,849,926</b>  |
| <b>OPERATING INCOME (I - II)</b>   | <b>1,362,254</b>  | <b>1,104,473</b>  |
| <b>Share of income from joint ventures</b>                                     |                   |                   |
| Allocated gain or transferred loss (III)                                       |                   |                   |
| Sustained loss or transferred gain (IV)  |                   |                   |
| <b>Financial Income</b>  |                   |                   |
| Investments  | 10,776,702        | 9,562,076         |
| Other securities and fixed asset receivables                                   |                   |                   |
| Other interest and similar income  | 2,825             | 3,233             |
| Write-backs of provisions and expenditure transfers                            | 2,020             | 60,685            |
| Foreign exchange gains   | 0                 | 5,721             |
| Net income on disposal of short-term investment securities                     | 26,699            | 36,451            |
| <b>Total Financial Income (V)</b>  | <b>10,808,245</b> | <b>9,668,165</b>  |
| <b>Financial expenses</b>  |                   |                   |
| Depreciation, amortization and provisions                                      | 9,007             | 2,020             |
| Interest and similar costs   |                   | 0                 |
| Foreign exchange losses  |                   |                   |
| Net expenses on disposal of short-term investment securities                   | 18,378            | 8,304             |
| <b>Total financial expenses (VI)</b>   | <b>27,384</b>     | <b>10,324</b>     |
| <b>NET FINANCIAL INCOME (V - IV)</b>   | <b>10,780,861</b> | <b>9,657,841</b>  |
| <b>CURRENT INCOME BEFORE TAX (I-II+III-IV+V-VI)</b>                            | <b>12,143,115</b> | <b>10,762,315</b> |

.../...

|  | 12/31/2022        | 12/31/2021        |
|--|-------------------|-------------------|
| <b>Exceptional income</b>                            |                   |                   |
| On investment operations                             | 19,325            | 130,856           |
| On capital transactions                              | 27,100            | 327,768           |
| Write-backs of provisions and expenditure transfers  |                   |                   |
| <b>Total exceptional income (VII)</b>                | <b>46,425</b>     | <b>458,624</b>    |
| <b>Exceptional expenses</b>                          |                   |                   |
| Fines  |                   |                   |
| On investment operations                             | 6,559             | 228,596           |
| On capital transactions                              | 26,541            | 121,344           |
| Exceptional depreciation/amortization and provisions |                   |                   |
| <b>Total Exceptional Costs (VIII)</b>                | <b>33,100</b>     | <b>349,940</b>    |
| <b>EXCEPTIONAL INCOME (VII-VIII)</b>                 | <b>13,325</b>     | <b>108,683</b>    |
| Profit sharing (IX)                                  |                   |                   |
| Income tax payable (X)                               | 4,508             | (177,557)         |
| <b>Total income (I+III+V+VII)</b>                    | <b>22,945,026</b> | <b>21,081,188</b> |
| <b>Total Expenses (II+IV+VI+VIII+IX+X)</b>           | <b>10,793,093</b> | <b>10,032,633</b> |
| <b>PROFIT OR LOSS</b>                                | <b>12,151,932</b> | <b>11,048,555</b> |

## **18.3.4. Notes to the Annual Accounts**

### **1. Accounting principles**

The annual accounts have been prepared and presented in accordance with generally accepted accounting principles in France, in accordance with the principles of prudence and independence of fiscal years and on a going concern basis. Accounting items were valued using the historical cost method.

They were prepared in accordance with French Accounting Standards Authority (ANC) regulation No. 2014-03 of June 5, 2014 updated for the various additional regulations at the date of the preparation of the said annual accounts.

These annual accounts were approved by the Board of Directors on April 26, 2023.

The fiscal year covers the 2022 calendar year. The notes and tables presented below form an integral part of the annual accounts.

Apart from remuneration and dividends, there is no other relationship with senior managers. Information on affiliates is specified at the level of each of the notes to the notes to the financial statements.

#### **Change in method**

There has been no change in accounting method during the fiscal year ended December 31, 2022.

#### **Use of estimates**

In order to prepare the financial statements in accordance with the accounting principles applied in France, management is required to make estimates and assumptions that may affect the amounts recorded in these financial statements. The actual results may ultimately show significant differences to these estimates.

#### **Development costs**

Pursuant to ANC regulation No. 2014-03, **Infotel** records software development costs as intangible assets and amortizes them over the probable life of the projects when they meet the recognition criteria set out in Article 212-3:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- availability of resources to complete the asset,
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are amortized over the probable life span of the project, which is generally seven years.

Development costs that do not meet the recognition criteria and research costs are recorded directly as expenses.

#### **Software**

Software and user rights acquired with full ownership are recognized as fixed assets and depreciated on a straight-line basis over one to three years if their useful life is greater than one year.

#### **Property, plant and equipment**

Property, plant and equipment are recognized at their acquisition cost.

Depreciation is calculated on a straight-line basis for the expected useful life of the different categories.

The generally accepted depreciation period is:

- |  |               |
|--|---------------|
| • Fixtures and fittings related to buildings | 10 years      |
| • Fixtures and fittings                      | 4 to 10 years |
| • Furniture and office equipment             | 3 to 10 years |
| • IT equipment                               | 3 years       |
| • Transport equipment                        | 5 years       |

### Equity investments

Equity investments are recorded at their acquisition cost. A provision for impairment is recognized if this value is higher than the value in use. The value in use is assessed based on the medium-term growth prospects of the investments and a discounted cash flow valuation of the companies concerned.

### Receivables

Receivables are recognized at par value. A provision is established on a case-by-case basis if collection appears to be compromised.

### Stock options

Stock options granted to employees of the Group are not recognized on the date of their grant but give rise to a capital increase on their exercise date corresponding to the number of shares awarded.

Given the conditions of issuing these options (option exercise period and exercise price), **Infotel** is not subject to social security contributions on the exercise of stock options.

At December 31, 2022, there were no stock option plans in force.

### Treasury stock

Treasury shares acquired by the company are recognized as securities. A provision for impairment is recognized when the net asset value (based on the average market price of the last month before the end of the fiscal year) is lower than the purchase price.

### Pensions and other employee benefits

The workforce of Infotel SA at December 31, 2022 comprised four people, all corporate officers.

In accordance with the recommendations of the AFEP and the MEDEF, pension commitments and other benefits for senior managers must be decided by the Board of Directors. As Infotel SA's Board of Directors has not made any pension or other commitments towards corporate officers, no provision has been recorded in this respect.

### Affiliates

According to the French accounting standard PCG 833-16, the entity provides a list of material transactions, within the meaning of Article R.123-199-1 of the French Commercial Code, carried out by the company with related parties when these transactions have not been concluded under normal market conditions. This list includes the following information: the name of the related party, the nature of the relationship with the related party, the amount of the transactions carried out with the related party and any other information on the transactions needed to assess the company's financial position. Information on individual transactions may be aggregated according to the type of the transaction, except where separate information is required to understand the effects of related party transactions on the company's financial position.

### Recognition of revenue

The rules for recognizing revenue are as follows:

- Sale of software packages: revenue is recorded at the time of installation and at the latest on the final acceptance.
- Software maintenance: invoices issued for maintenance are recorded on a pro rata basis over the term of the contract and result in the recognition of deferred income.
- IBM royalties: The revenue is made up of IBM royalties where quarterly accounting is done during collection. A provision is recorded at the end of the period. In the absence of information from IBM on the date of publication of the revenue, this provision is determined, as a precautionary measure, by taking into account

the lowest amount of royalties received during the last four quarters, adjusted for cancellations of royalties on sales from one quarter to the next.

**Infotel** Group does not generate revenue with countries presenting specific economic risks.

## 2. Statement of Facts

The ongoing war between Russia and Ukraine, which began on February 24, 2022, had no direct impact on the Group's business, as it does not carry out any activities in the geographical areas directly concerned (Ukraine, Russia, Belarus).

However, the ensuing international crisis has had many indirect effects, particularly with regard to rising energy costs and, more generally, an inflationary environment on service prices and wages. However, the Group was able to limit these higher costs and offset them by increasing its sales prices, so the impact on results is limited.

## 3. Notes to the Accounts

### a) Shareholders' equity

Shareholders' equity changed as follows during the year:

| <i>In €</i>                  | 12/31/2021        | Increase          | Decrease          | 12/31/2022        |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Capital                      | 2,756,223         |                   |                   | 2,756,223         |
| Issue premiums               | 7,410,179         |                   |                   | 7,410,179         |
| Statutory reserve            | 272,851           | 2,771             |                   | 275,622           |
| Other reserves               | 362,592           |                   |                   | 362,592           |
| Retained earnings            | 7,948,720         | 11,045,784        | 11,020,705        | 7,973,799         |
| Income for the previous year | 11,048,555        |                   | 11,048,555        | 0                 |
| Income for the year          |                   | 12,151,932        |                   | 12,151,932        |
| <b>TOTAL</b>                 | <b>29,799,120</b> | <b>23,200,487</b> | <b>22,069,260</b> | <b>30,930,347</b> |

Changes in capital, issue premiums and reserves are mainly the result of the following:

- Payment of a dividend of €1.60 per share, (for 6,890,558 shares) for a total amount of €11,024,893, and €11,020,705 excluding dividends on treasury stock.

On December 31, 2022, the capital stock comprised 6,890,558 fully paid-up shares with a par value of €0.40, including 3,430 held by **Infotel**.

### *Stock options table*

There have been no stock option plans since 2016.

### b) Provisions for risks

| <i>In €</i>                           | 12/31/2021   | Increase     | Decrease     | 12/31/2022   |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Provision for foreign exchange losses | 2,020        | 9,007        | 2,020        | 2,020        |
| Provision for risks                   | 6,182        |              | 6,182        |              |
| <b>TOTAL</b>                          | <b>8,202</b> | <b>9,007</b> | <b>8,202</b> | <b>9,007</b> |

A write-back for foreign exchange gains was recorded for Infotel Corp due to the increase in the dollar. A provision was recorded for the URSSAF audit of employer social security contributions.

### c) Intangible assets

The changes in intangible assets, in gross values, are as follows:

| <i>In €</i>         | 12/31/2021        | Increase         | Decrease | 12/31/2022        |
|---------------------|-------------------|------------------|----------|-------------------|
| Software acquired   | 612,219           | 21,800           |          | 634,019           |
| ADS business assets | 285,978           |                  |          | 285,978           |
| Development costs   | 25,235,775        | 1,409,147        |          | 26,644,922        |
| <b>TOTAL</b>        | <b>26,133,972</b> | <b>1,430,947</b> | <b>0</b> | <b>27,564,919</b> |

The development costs recognized in the Group's assets during the fiscal year mainly concern the following projects: Arcsys, HPU, iDBA, Merge Backup, DB/IQ, and Deepeo. They are amortized over the probable life span of the project, which is generally seven years.

The changes in depreciation/amortization are as follows:

| <i>In €</i>       | 12/31/2021        | Increase         | Decrease | 12/31/2022        |
|-------------------|-------------------|------------------|----------|-------------------|
| Software acquired | 567,875           | 22,331           |          | 590,207           |
| Development costs | 19,767,812        | 1,650,927        |          | 21,418,739        |
| <b>TOTAL</b>      | <b>20,335,687</b> | <b>1,673,258</b> |          | <b>22,008,946</b> |

### d) Property, plant and equipment

The changes in property, plant and equipment, in gross values, are as follows:

| <i>In €</i>                  | 12/31/2021       | Increase       | Decrease      | 12/31/2022       |
|------------------------------|------------------|----------------|---------------|------------------|
| Installations and facilities |                  |                |               |                  |
| Fixtures and fittings        | 1,427,773        | 40,006         |               | 1,467,780        |
| Transport equipment          | 71,764           | 65,450         | 48,403        | 88,812           |
| Office equipment             | 940,884          | 23,096         |               | 963,980          |
| Furniture                    | 523,145          | 23,558         |               | 546,703          |
| Current fixed assets         | 13,936           |                | 13,936        |                  |
| <b>TOTAL</b>                 | <b>2,977,502</b> | <b>152,110</b> | <b>62,339</b> | <b>3,067,275</b> |

The increases during the year are linked to investment in the new Paris office and the purchase of a new vehicle.

The changes in depreciation/amortization are as follows:

| <i>In €</i>                   | 12/31/2021       | Increase       | Decrease      | 12/31/2022       |
|-------------------------------|------------------|----------------|---------------|------------------|
| Installations and facilities  |                  |                |               |                  |
| Fixtures and fittings         | 227,716          | 141,699        |               | 369,415          |
| Transport equipment           | 24,509           | 16,738         | 21,862        | 19,385           |
| Office equipment              | 828,641          | 47,905         |               | 876,545          |
| Furniture                     | 78,414           | 54,176         |               | 132,590          |
| Construction work in progress | 0                |                |               | 0                |
| <b>TOTAL</b>                  | <b>1,159,280</b> | <b>260,518</b> | <b>21,862</b> | <b>1,397,935</b> |

### e) Financial assets

The changes in financial assets, in gross values, are as follows:

| <i>In €</i>        | 12/31/2021        | Increase      | Decrease | 12/31/2022        |
|--------------------|-------------------|---------------|----------|-------------------|
| Equity investments | 9,975,246         | 0             | 0        | 9,975,246         |
| Treasury stock     | 0                 | 0             | 0        | 0                 |
| Security deposits  | 415,370           | 17,784        | 0        | 433,154           |
| <b>TOTAL</b>       | <b>10,390,616</b> | <b>17,784</b> | <b>0</b> | <b>10,408,400</b> |

## f) Accounts receivable

Accounts receivable of €2,686,238 correspond to invoices issued and unpaid at the end of the fiscal year; these correspond to licenses delivered and maintenance services performed as of the closing date of the fiscal year. They amounted to €2,408,543 at the end of the previous fiscal year.

Invoices to be issued totaled €1,144,703 at December 31, 2022, which corresponds in particular to royalties to be billed to IBM for sales during the last quarter of 2022, calculated according to the method described above. Accounts receivable due from affiliates stood at €1,284,191 at December 31, 2022.

## g) Other receivables

| <i>In €</i>                       | 12/31/2022       | 12/31/2021       |
|-----------------------------------|------------------|------------------|
| Corporate income tax              |                  |                  |
| Value added tax                   | 744,902          | 667,077          |
| Other receivables                 | 266,111          | 666,000          |
| Tax consolidation current account | 804,957          | 1,691,255        |
| <b>TOTAL</b>                      | <b>1,815,970</b> | <b>3,024,332</b> |

The VAT refund of €300,000 was received in 2023.

Other receivables totaling €266,111 correspond solely to the schedule set up for ANGELL and ALL SQUARE following the sale of OAI0 securities.

The tax consolidation current account corresponds to Infotel SA's income tax receivable on Infotel Conseil.

## h) Prepaid expenses

Prepaid expenses amounted to €680,785 at December 31, 2022. They concern only operating expenses (rents, insurance, maintenance, etc.).

## i) Maturity of receivables

| <i>In €</i>                             | Gross amount     | Maturities of less than one year | Maturities of more than one year |
|---|------------------|----------------------------------|----------------------------------|
| Fixed asset receivables                 |                  |                                  |                                  |
| Receivables associated with investments | 0                |                                  |                                  |
| Loans                                   | 0                |                                  |                                  |
| Other financial assets                  | 433,153          |                                  | 433,153                          |
| Current asset receivables               |                  |                                  |                                  |
| Trade receivables                       | 2,686,238        | 2,686,238                        |                                  |
| Other receivables                       | 1,815,970        | 1,815,970                        | 0                                |
| Prepaid expenses                        | 680,785          | 680,785                          |                                  |
| Translation differences – Assets        | 9,007            | 9,007                            |                                  |
| <b>TOTAL</b>                            | <b>5,625,153</b> | <b>5,192,000</b>                 | <b>433,153</b>                   |

## j) Loans and other financial debts

The company did not use any loans.

Financial debt and related accounts amounted to €61,296 at December 31, 2022 vs. €79,019 at December 31, 2021. This mainly concerns amounts payable to affiliates.



## k) Accounts payable

Accounts payable amounted to €1,030,504 on December 31, 2022, vs. €784,319 at the end of the previous fiscal year.

Invoices to be received totaled €219,097 at December 31, 2022.

They represent general costs, where the due date is less than one year.

Amounts due to affiliates totaled €709,229.

## l) Tax and social security liabilities

Tax and social security liabilities (in €) are broken down as follows:

| <i>In €</i>            | <b>2022</b>    | <b>2021</b>    |
|------------------------|----------------|----------------|
| Personnel              | 6,000          | 6,000          |
| Social security bodies | 50,575         | 48,801         |
| Corporate tax          | 489,486        | 450,555        |
| VAT                    | 46,770         | 89,470         |
| Other taxes            | 28,612         | 82,491         |
| <b>TOTAL</b>           | <b>621,443</b> | <b>677,317</b> |

Tax and social security liabilities all have a due date of less than one year.

## m) Unearned revenue

At December 31, 2022, deferred income represented €391,502, corresponding to the pro rata recognition of lease and maintenance contracts and royalties paid by our subsidiary Infotel Corp. They amounted to €555,913 at the end of the previous fiscal year.

## n) Maturity of payables

| <i>In €</i>                           | <b>Gross amount</b> | <b>Maturities of less than one year</b> | <b>Maturities of more than one year</b> | <b>Maturities of more than five years</b> |
|---------------------------------------|---------------------|---|---|---|
| Bank loans and other financial debts  | 1,173               | 1,173                                   |   |   |
| Loans and other financial debts       | 61,296              | 61,296                                  |   |   |
| Accounts payable                      | 1,030,504           | 1,030,504                               |   |   |
| Tax and social security liabilities   | 621,443             | 621,443                                 |   |   |
| Fixed asset liabilities               | 0                   | 0                                       |   |   |
| Other liabilities                     | 0                   | 0                                       |   |   |
| Deferred income                       | 391,502             | 391,502                                 |   |   |
| Translation adjustments - Liabilities | 66,393              | 66,393                                  |   |   |
| <b>TOTAL</b>                          | <b>2,172,311</b>    | <b>2,172,311</b>                        | -                                       | -   |

## o) Operating income

The breakdown of revenue by geographical area is as follows:

| <i>In €</i>                | <b>2022</b>       | <b>2021</b>      |
|----------------------------|-------------------|------------------|
| Non-group France           | 1,808,173         | 1,872,641        |
| Non-group USA              | 5,024,279         | 3,892,506        |
| Non-group Europe           | 293,727           | 216,433          |
| Non-group Export (others)  | 0                 | 0                |
| <b>SUB-TOTAL NON-GROUP</b> | <b>7,126,179</b>  | <b>5,981,580</b> |
| Group France               | 3,316,798         | 3,251,886        |
| Group USA                  | 222,773           | 297,098          |
| Group Europe               | 1,075             | 804              |
| <b>SUB-TOTAL GROUP</b>     | <b>3,540,646</b>  | <b>3,549,788</b> |
| <b>TOTAL</b>               | <b>10,666,825</b> | <b>9,531,368</b> |

Infotel SA operates in a single activity segment, the commercialization of software packages. For their implementation, it may occasionally provide services.

Internal invoicing concerns:

- for France, the Group's management fees and the internal invoicing of expenses;
- for Europe and the USA, royalties related to the sale of **Infotel** products abroad.

Provision write-backs and expenditure transfers of €1,423,527 concern the recognition of research and development costs for €1,410,118 (vs. €1,417,214 in 2021).

## p) Net financial income

Net financial income amounted to €10,808,245, versus €9,668,165 in the previous fiscal year and consisted of dividends received, interest on term deposits in euros or US dollars, and capital gains on marketable securities or treasury stock.

In 2022, the company received €9,000,000 in dividends from Infotel Conseil, €300,000 from Infotel Insoft Software, €390,002 from OAIO, €1,000,000 from Infotel Monaco, and €86,700 from Infotel UK.

Financial expenses amounted to €27,384 in 2022 vs. €10,324 in 2021. They mainly correspond to losses on the sale of treasury shares and the provision for foreign exchange losses for Infotel Corp.

## q) Foreign exchange risks

The parent company bears the foreign exchange risk on intra-group invoicing outside the euro zone (mainly for Infotel Corporation) and on the revenue generated with the customer IBM. Foreign **Infotel** subsidiaries invoice their services in local currency.

The portion of the revenue that may be affected by a fluctuation in the US dollar is €5,247,052 or 47% of revenue (3 percentage points more than in the previous fiscal year).

## r) Income tax

Infotel SA's net income tax expense was €4,046 in 2022, compared with net tax income of €177,557 in 2021, calculated pursuant to tax rules and the applicable rates.

Infotel SA is head of a tax consolidation group comprising Infotel Conseil. Tax consolidation generated an additional tax expense of €13,212 recognized in the Infotel SA accounts.

## *Changes in future tax liabilities*

There are no longer any items that will increase or reduce future tax liabilities.

#### **4. Headcount at End of Period**

The workforce of **Infotel** at December 31, 2022 comprised four people, all corporate officers.

#### **5. Remuneration of Management Bodies**

The gross remuneration allocated to management and for functions performed in the **Infotel** Group was €847,059 for 2022.

No advance or loan was granted to the Company's officers during the 2022 fiscal year.

#### **6. Statutory Auditors' Fees**

Statutory auditors' fees for the 2022 fiscal year amounted to €135,982.

#### **7. Commitments**

##### **Pensions and other benefits**

No additional or deferred defined-benefit or defined-contribution supplementary pension plans giving rise to future payments to **Infotel** retirees have been set up.

#### **8. Post-Balance Sheet Events**

None.

## 9. List of Subsidiaries and Holdings

Infotel SA is the parent company of the **Infotel** Group.

| <i>In €k</i>   | <b>Infotel<br/>Conseil</b> | <b>Infotel<br/>Monaco</b> | <b>Infotel<br/>Corp</b> | <b>OAIO</b> | <b>Insoft<br/>Infotel<br/>Software</b> | <b>Infotel<br/>UK</b> |
|--|----------------------------|---------------------------|-------------------------|-------------|--|-----------------------|
| Capital  | 20,000                     | 150                       | 0.94                    | 133         | 50                                     | 0.11                  |
| Shareholders' equity<br>(excluding capital stock<br>and before earnings) | 55,130                     | 1,095                     | (860)                   | 2,430       | 758                                    | 1,185                 |
| Holding  | 100%                       | 100%                      | 100%                    | 65%         | 100%                                   | 51%                   |
| Gross carrying amount of<br>securities held                              | 6,269                      | 128                       | 0.87                    | 1,578       | 2,000                                  | 0.07                  |
| Net carrying amount of<br>securities held                                | 6,269                      | 128                       | 0.87                    | 1,578       | 2,000                                  | 0.07                  |
| Loans and advances<br>granted  | 0                          | 0                         | 0                       | 0           | 0                                      | 0                     |
| Guarantees and surety<br>provided by the company                         | 0                          | 0                         | 0                       | 0           | 0                                      | 0                     |
| Revenue before VAT   | 281,229                    | 7,438                     | 810                     | 9,997       | 888                                    | 6,579                 |
| Current  | 16,798                     | 1,300                     | 41                      | 1,315       | 237                                    | 1,004                 |
| Dividends received by the<br>company during the fiscal<br>year           | 9,000                      | 1,000                     | 0                       | 600         | 300                                    | 77                    |

All companies close their annual accounts on December 31, 2022. All data concern 2022.

The data for Infotel Corp. were converted at the following exchange rates:

- Average exchange rate of \$1 = €0.94887 for the income statement and \$1 = €0.93756 for equity.

The data for Infotel UK were converted at the following exchange rates:

- Average exchange rate of £ 1 = €1.17286 for the income statement and £1 = €1.12748 for equity.

## **18.4. STATUTORY AUDITORS' REPORTS**

### **18.4.1. Statutory Auditors' report on the consolidated financial statements**

Fiscal year ended December 31, 2022

To the Shareholders of **Infotel**,

#### **Opinion**

In accordance with the terms of our appointment by your Shareholders' Meeting, we have audited the consolidated financial statements of **Infotel**, for the year ended December 31, 2022, as published in this Report.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code.

#### **Basis of opinion**

##### **Audit terms of reference**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report entitled "Responsibilities of the Statutory Auditors in respect of the audit of the consolidated financial statements".

##### **Independence**

We conducted our audit assignment in compliance with the rules of independence provided by the French Commercial Code and the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

#### **Justification of the assessments - Key points of the audit**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the period, as well as how we addressed those risks.

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 we do not provide a separate opinion on specific items of the consolidated financial statements.

#### ***Recognition of revenue from fixed-price services***

##### ***Identified risk***

As outlined in the section "Revenue recognition" of 3.5 of the notes to the consolidated financial statements, the Group performs its "Services" activity primarily via fixed-price contracts, which are generally broken down into a succession of short-term tasks and work, with a commitment in terms of price, compliance and deadline (service desks in particular).

For fixed-price contracts carried out over several years, in particular service desks, revenue is recognized as and when control of the service is transferred, in accordance with IFRS 15 "Revenue from Contracts with Customers".

For service contracts with multiple components, which may correspond to a combination of different services, revenue is recorded separately for each performance obligation identified when control of the service is transferred to the customer. The revenue recorded depends on the estimation of the total price of the transaction and how this is allocated to the various elements of the contract.

A contract's percentage of completion is regularly monitored and estimated by the Operational Managers who compare the amount of costs incurred to the total estimated costs of the project. An incorrect estimate of estimated costs and the progress of contracts would be likely to distort the revenue and margin amounts recorded.

We considered that measuring the progress on fixed-price contracts was a key aspect of the audit in that (i) these contracts represent a very significant portion of consolidated revenue, (ii) the estimated progress and costs on

these contracts are based on operational assumptions, and (iii) their estimation has a direct impact on the level of revenue and margin recognized in the consolidated financial statements.

#### *Our response*

We reviewed the internal control system relating to the accounting recognition of contracts. We tested the effectiveness of the key controls implemented by the operational managers and Management (including the validation of time spent, and verifications of the invoicing of all outstanding amounts booked for the services in subsequent periods).

For a sample of contracts randomly selected in the application used for the operational monitoring of contracts:

- We compared the data from the operational monitoring application with the accounting;
- We met with the operational managers to understand how they determined the outstanding revenue to be generated and progress of the contract on which revenue and margin accounting is based;
- We reconciled the key data used with the contractual data and obtained, when required, confirmation of the progress of the contract validated by customers.

Finally, we assessed whether the section "Revenue recognition" of 3.5 of the notes to the consolidated financial statements provides appropriate information.

#### **Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations regarding the information on the Group provided in the Board of Directors' management report.

We have no matters to report as to the fair presentation and the consistency of this information with the consolidated financial statements.

We certify that the Extra-Financial Performance Declaration provided for by Article L.225-102-1 of the French Commercial Code is included in the information on the Group provided in the management report, it being specified that, in accordance with the provisions of Article L.823-10 of said Code, we have not verified the information contained in this report with respect to its fair presentation or consistency with the consolidated financial statements, and the information must be the subject of a report by an independent third body.

#### **Other verifications or information required by legal and regulatory texts**

##### **Format for the presentation of the consolidated financial statements for inclusion in the annual financial report**

In accordance with professional standards on the statutory auditor's due diligence in relation to the annual and consolidated financial statements presented in accordance with the European single electronic format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to the consolidated financial statements, our procedures include verifying the compliance of the markups of these accounts in the format defined by the aforementioned regulation.

We are unable to issue a conclusion on compliance with the European Single Electronic Format in the presentation of the consolidated financial statements intended to be included in the annual financial report. We were unable to implement the necessary procedures to verify compliance for the following reason: the XHTML version of the consolidated financial statements was not provided to us on time.

##### **Appointment of the Statutory Auditors**

We were appointed statutory auditors of **Infotel** by the General Shareholders' Meeting of May 26, 2010 for Constantin & Associés and by that of December 7, 2011 for Audit Consultants Associés.

As of December 31, 2022, Constantin & Associés was in the thirteenth consecutive year in office and Audit Consultants Associés in its twelfth year.

##### **Responsibilities of management and the persons in charge of corporate governance in respect of the consolidated financial statements**

It is the management's responsibility to prepare consolidated financial statements that present a true and fair view in line with IFRS requirements as adopted in the European Union, as well as to implement the internal control that it deems necessary for the preparation of consolidated financial statements and that there is no material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management must assess the Company's ability to continue as a going-concern, present information relating to the continuity of operations in the financial statements, as appropriate, and apply the going concern accounting principle, unless the Company is to be wound up or cease trading.

The Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code is responsible for monitoring the process used to prepare the financial information and for verifying the effectiveness of internal control and risk management systems, and of the internal audit, as applicable, regarding the procedures for the preparation and treatment of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

### ***Responsibilities of the Statutory Auditors in Respect of the Audit of the Consolidated Financial Statements*** **Audit objective and approach**

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with professional standards will systematically detect any material misstatement. Misstatements can arise from fraud or error and are 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability of the Company or the quality of its management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout this audit. Furthermore:

- They identify and assess the risks that the consolidated financial statements contain material misstatements caused by fraud or by error, establish and implement audit procedures to address these risks, and gather sufficient and appropriate information to be able to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- They are informed of relevant internal controls for the audit in order to establish appropriate audit procedures, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- They assess the appropriateness of the accounting policies used and whether the accounting estimates made by management are reasonable, and verify the information contained in the consolidated financial statements;
- They verify that management applies the going-concern accounting principle appropriately, and, based on the information gathered, establish whether or not there is significant uncertainty arising from events or circumstances that may undermine the Company's ability to continue its operations. This assessment is based on the information collected up to the date of his report, although it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If the auditors conclude that there is material uncertainty, they will draw the attention of readers of the report to the information provided in the consolidated financial statements regarding this uncertainty, or, if such information is not provided or is not relevant, they will issue a qualified opinion or refuse to issue an opinion;
- They assess the overall presentation of the consolidated financial statements and decide whether they reflect the underlying transactions and events in such a way as to present a fair view thereof;
- Concerning the financial information of the persons or entities included in the scope of consolidation, they collect information that they deem sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and performance of the audit of the consolidated financial statements and the opinion expressed on these statements.

### **Report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code**

We submit a report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code setting out our audit work and the audit plan as well as the conclusions of our work. We also indicate, where appropriate, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

The information contained in the report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code includes the biggest risks of significant misstatements

that we identified during our audit of the consolidated financial statements for the period, which constitute the key audit matters that we are required to describe in this report.

We also issue the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code with the statement required under Article 6 of Regulation (EU) No. 537/2014 confirming our independence within the meaning of the rules applicable in France as stipulated in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Statutory Auditors' Code of Ethics. Where applicable, we consult with the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code regarding the risks to our independence and the safeguard measures applied.

Paris and Paris-La-Défense, April 27, 2023

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy



## **18.4.2. Statutory Auditors' report on the annual accounts**

Fiscal year ended December 31, 2022

To the Shareholders of **Infotel**,

### **Opinion**

In accordance with the terms of our appointment by your Shareholders' Meeting, we have audited the annual financial statements of **Infotel**, for the year ended December 31, 2022, as published in this Report.

In our opinion, the annual accounts give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2022 and of the results of its operations for the year then ended, in accordance with French accounting principles.

The opinion expressed above is consistent with the content of our report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code.

### **Basis of opinion**

#### **Audit terms of reference**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Auditors for the Audit of the Annual Accounts" section of this report.

#### **Independence**

We conducted our audit assignment in compliance with the rules of independence provided by the French Commercial Code and the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

### **Justification of the assessments - Key points of the audit**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the annual financial statements of the period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the annual accounts.

### **Valuation of equity investments**

#### *Identified risk*

As set out in the note entitled "Equity investments" of the accounting principles of the notes to the annual accounts, equity investments are recorded in the balance sheet at their acquisition cost. A provision is recognized if this value is higher than the value in use. The value in use is assessed based on the medium-term growth prospects of the investments and an expected discounted cash flow valuation of the companies concerned, adjusted for the net cash position at the closing date.

Equity investments represent a significant amount of the balance sheet and the determination of their value in use requires management's judgment to determine the inputs to be taken into account, in particular cash flow forecasts and the discount rates used.

We therefore considered the value in use of equity investments to be a key audit matter.

#### *Our response*

We have taken note of the work performed by the Company on impairment tests. Our work consisted in assessing the reasonable nature of the estimate of the value in use of equity investments, based on the information provided to us.

Our work consisted mainly of:

- familiarizing ourselves with the methods used to calculate value in use, and in particular net cash flow forecasts;

- assessing and reviewing the reasonable nature of assumptions on revenue, operating income, the working capital requirement, and capital expenditure used for these net cash flow forecasts, by conducting interviews with Management, comparing the forecasts used for previous periods with actual results, and assessing the assumptions used in the projections considered in the business plans approved by Executive Management;
- analyzing the main assumptions with regard to available market data;
- reviewing, with the support of our specialists, the discount rates used by the company.

Finally, we assessed whether the paragraph “Investment securities” in Note 1. “Accounting principles” in the notes to the annual financial statements provides appropriate information.

### **Specific verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

### **Information given in the management report and in the other documents on the financial position and the financial statements provided to shareholders**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the financial statements provided to shareholders.

We certify the accuracy and the consistency of the information related to the payment deadlines referred to in Article D.441-6 of the French Commercial Code with the annual accounts.

### **Report on Corporate Governance**

We certify that the Board of Directors’ report on corporate governance includes all the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

With regard to the information provided in accordance with the provisions of Article L.22-10-9 of the French Commercial Code on the remuneration and benefits paid or awarded to corporate officers and the commitments made in this respect, we verified its consistency with the financial statements and with the data used to prepare the financial statements and, where applicable, with the information gathered by your Company from the companies controlled by it that are included in the scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning information that your company considered likely to have an impact in the event of a takeover bid or public exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we verified its compliance with the documents from which it originated and which were communicated to us. Based on this work, we have no observation to make on this information.

### **Other information**

In accordance with the law, we have verified that the information relating to the identity of the principal shareholders (in terms of capital or voting rights) has been disclosed in the management report.

### **Other verifications or information required by legal and regulatory texts**

#### **Format for the presentation of the annual accounts for inclusion in the annual financial report**

In accordance with professional standards on the statutory auditor’s due diligence in relation to the annual and consolidated financial statements presented in accordance with the European single electronic format, we also verified compliance with this format as defined by Delegated European Regulation No. 2019/815 of December 17, 2018 in the presentation of the annual financial statements intended to be included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual accounts intended for inclusion in the annual financial report complies, in all material respects, with the European single electronic format.

It is not our responsibility to verify that the annual accounts that will actually be included by your company in the annual financial report filed with the AMF correspond to those on which we conducted our work.

### **Appointment of the Statutory Auditors**

We were appointed statutory auditors of **Infotel** by the General Shareholders’ Meeting of May 25, 2010 for Constantin & Associés and by that of December 7, 2011 for Audit Consultants Associés.

As of December 31, 2022, Constantin & Associés was in the thirteenth consecutive year in office and Audit Consultants Associés in its twelfth year.

***Responsibilities of management and the persons in charge of corporate governance in respect of the annual accounts***

Management is responsible for preparing true and fair annual accounts in compliance with French accounting rules and principles and for setting up the internal controls it deems necessary to ensure the preparation of annual accounts that are free of material misstatements, be they caused by fraud or by error.

In preparing the annual accounts, management must assess the Company's ability to continue as a going concern, present information relating to the continuity of operations in the financial statements, as appropriate, and apply the going-concern accounting principle, unless the Company is to be wound up or cease trading.

The Board of Directors performing the duties of the specialized committee as referred to in Article L.823-19 of the French Commercial Code is responsible for monitoring the process used to prepare the financial information and for verifying the effectiveness of internal control and risk management systems, and of the internal audit, as applicable, regarding the procedures for the preparation and treatment of accounting and financial information.

These annual accounts were approved by the Board of Directors.

***Responsibilities of the Statutory Auditors in respect of the audit of the annual accounts***

**Audit objective and approach**

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the annual accounts taken as a whole are free from material misstatements. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with professional standards will systematically detect any material misstatement. Misstatements can arise from fraud or error and are 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 financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance as to the viability of the Company or the quality of its management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditors exercise their professional judgment throughout this audit. Furthermore:

- They identify and assess the risks that the annual accounts contain material misstatements, caused by fraud or by error, establish and implement audit procedures to address these risks, and gather sufficient and appropriate information to be able to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- They are informed of relevant internal controls for the audit in order to establish appropriate audit procedures, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- They assess the appropriateness of the accounting policies used and whether the accounting estimates made by management are reasonable, and verify the information contained in the annual accounts;
- They verify that management applies the going-concern accounting principle appropriately, and, based on the information gathered, establish whether or not there is significant uncertainty arising from events or circumstances that may undermine the Company's ability to continue its operations. This assessment is based on the information collected up to the date of his report, although it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If the auditors conclude that there is material uncertainty, they will draw the attention of readers of the report to the information provided in the annual accounts regarding this uncertainty, or, if such information is not provided or is not relevant, they will issue a qualified opinion or refuse to issue an opinion;
- They assess the overall presentation of the annual accounts and decide whether they reflect the underlying transactions and events in such a way as to present a fair view thereof.

**Report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code**

We submit a report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code setting out our audit work and the audit plan as well as the conclusions of our work. We also indicate, where appropriate, any significant weaknesses of internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

The information contained in the report to the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code includes the biggest risks of significant misstatements that we identified during our audit of the annual accounts for the period, which constitute the key audit matters that we are required to describe in this report.

We also issue the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code with the statement required under Article 6 of Regulation (EU) No. 537/2014 confirming our independence within the meaning of the rules applicable in France as stipulated in Articles L.822-10 to L.822-14 of the French Commercial Code and in the Statutory Auditors' Code of Ethics. Where applicable, we consult with the Board of Directors performing the duties of the specialized committee referred to in Article L.823-19 of the French Commercial Code regarding the risks to our independence and the safeguard measures applied.

Paris and Paris-La-Défense, April 27, 2023

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy

### **18.4.3. Statutory Auditors' special report on related-party agreements**

General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2022

To the Shareholders of **Infotel**,

In our capacity as statutory auditors of your company, we hereby present our report on related-party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the key features and terms and conditions of, as well as the reasons behind, the contractual agreements indicated to us or that we may have identified in the performance of our assignment. It is not our role to comment as to whether they are beneficial or to ascertain whether any other agreements and commitments exist. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code, to assess the benefits arising from the conclusion of these agreements and commitments before approving them.

Furthermore, it is our responsibility to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation, during the past fiscal year, of the agreements and commitments previously approved at the General Shareholders' Meeting, if any.

We performed the procedures we considered necessary in accordance with the professional standards issued by the Compagnie Nationale des Commissaires aux Comptes (French Institute of Statutory Auditors) relating to this assignment.

#### **Agreements and commitments submitted to the General Shareholders' Meeting for approval**

We were not notified of any agreements and commitments authorized and implemented during the past year to be submitted to the General Shareholders' Meeting for approval in accordance with Article L.225-38 of the Commercial Code.

#### **Agreements and commitments previously approved by the General Shareholders' Meeting**

We inform you that we have not been given notice of any agreement or commitment already approved by the General Shareholders' Meeting whose execution would have continued during the past fiscal year.

Paris and Paris-La-Défense, April 27, 2023

The Statutory Auditors

Audit Consultants Associés

Constantin Associés

Sarkis Canli

Cécile Rémy

#### **18.5. DATE OF THE MOST RECENT FINANCIAL INFORMATION**

The last year for which financial information was audited was the fiscal year ended December 31, 2022.

#### **18.6. INTERIM FINANCIAL INFORMATION**

The Company publishes financial information on a quarterly basis. The most recent publication concerns the results for fiscal year 2022 published on March 22, 2023. This information was assessed and audited by the statutory auditors.

#### **18.7. DIVIDEND POLICY**

The Company is willing to pay dividends but does not have a firm policy regarding the allocation of its profits between the payment of dividends and the financing of its activities. Since its listing on the stock market, **Infotel** has always issued a dividend.

In previous years, these dividends amounted to:

- 2019: €1.05 dividend per share;
- 2020: €1.60 dividend per share;
- 2021: €1.60 dividend per share.

The Board of Directors' meeting on March 22, 2023 proposed the payment of a dividend of €2.00 per share, to be approved by the General Shareholders' Meeting on May 17, 2023.

Dividends not claimed within five years from the date of payment will be transferred to the French State (Article 2277 of the French Civil Code).

#### **18.8. LEGAL AND ARBITRATION PROCEEDINGS**

To date, there are no government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, that are likely to have or, during the last twelve months, have had a significant impact on the financial situation or the profitability of the Company.

#### **18.9. SIGNIFICANT CHANGE IN THE FINANCIAL OR TRADING POSITION**

There have been no significant changes in the Group's financial or trading position since the end of the last fiscal year. The Covid-19 pandemic has a limited impact on **Infotel's** accounts due to its good management, and its close and attentive monitoring of its customers.

## 19. ADDITIONAL INFORMATION

### 19.1. CAPITAL STOCK

At December 31, 2022, the capital stock was €2,756,223.20 divided into 6,890,558 shares with a par value of €0.40.

#### 19.1.1. Changes in Capital Since the Creation of the Company

| Date              | Nature of the transaction                 | Increase in capital | Transfer or issue premium | Total number of shares | Par value | Capital amount |
|-------------------|---|---------------------|---------------------------|------------------------|-----------|----------------|
| December 31, 1979 | Incorporation                             | FF150,000           | 0                         | 1,500                  | FF100     | FF150,000      |
| June 3, 1982      | Capitalization of reserves                | FF450,000           | 0                         | 1,500                  | FF400     | FF600,000      |
| June 7, 1983      | Capitalization of reserves                | FF1,800,000         | 0                         | 1,500                  | FF1,600   | FF2,400,000    |
| June 17, 1987     | Capitalization of reserves                | FF900,000           | 0                         | 1,500                  | FF2,200   | FF3,300,000    |
| June 17, 1987     | Par value split by 22                     |                     | 0                         | 33,000                 | FF100     | FF3,300,000    |
| May 30, 1988      | Capitalization of reserves                | FF1,200,000         | 0                         | 45,000                 | FF100     | FF4,500,000    |
| December 31, 1992 | Contributions in cash <sup>(1)</sup>      | FF14,800            | FF525                     | 45,148                 | FF100     | FF4,514,800    |
| December 31, 1995 | Contributions in cash <sup>(1)</sup>      | FF33,200            | FF525                     | 45,480                 | FF100     | FF4,548,000    |
| July 8, 1998      | Capitalization of reserves                | FF4,548,000         | 0                         | 90,960                 | FF100     | FF9,096,000    |
| July 8, 1998      | Par value split by 10                     |                     | 0                         | 909,600                | FF10      | FF9,096,000    |
| January 21, 1999  | Contributions in cash                     | FF2,550,000         | FF165.99                  | 1,164,600              | FF10      | FF11,646,000   |
| May 31, 2001      | Capitalization of reserves                | FF3,632,550         | 0                         | 1,164,600              | FF13.11   | FF15,278,550   |
| December 31, 2003 | Contributions in cash <sup>(1)</sup>      | €4,000              | €7.91                     | 1,166,600              | €2        | €2,233,200     |
| December 31, 2004 | Contributions in cash <sup>(1)</sup>      | €17,000             | €7.91                     | 1,175,100              | €2        | €2,350,200     |
| December 31, 2005 | Contributions in cash <sup>(1)</sup>      | €22,160             | €24.58                    | 1,186,180              | €2        | €2,372,360     |
| December 31, 2006 | Contributions in cash <sup>(1)</sup>      | €7,876              | €28.46                    | 1,204,140              | €2        | €2,408,280     |
| December 31, 2007 | Contributions in cash <sup>(1)</sup>      | €30,040             | €24.75                    | 1,219,160              | €2        | €2,438,320     |
| May 23, 2008      | Capitalization of reserves <sup>(2)</sup> | €70,480             | 0                         | 1,254,400              | €2        | €2,508,800     |
| December 31, 2008 | Contributions in cash <sup>(1)</sup>      | €33,760             | €28.34                    | 1,271,280              | €2        | €2,542,560     |
| October 12, 2009  | Capitalization of reserves <sup>(2)</sup> | €106,770            | 0                         | 1,324,665              | €2        | €2,649,330     |
| October 12, 2009  | Contributions in cash <sup>(1)</sup>      | €252                | €28                       | 1,324,791              | €2        | €2,649,582     |
| December 31, 2009 | Contributions in cash <sup>(1)</sup>      | €200                | €33.50                    | 1,324,891              | €2        | €2,649,782     |
| December 31, 2010 | Contributions in cash <sup>(1)</sup>      | €9,400              | €21.94                    | 1,329,591              | €2        | €2,659,182     |
| December 31, 2011 | Contributions in cash <sup>(1)</sup>      | €2,200              | €35.91                    | 1,330,691              | €2        | €2,661,382     |
| December 31, 2012 | Contributions in cash <sup>(1)</sup>      | €1,400              | €37.30                    | 1,331,391              | €2        | €2,662,782     |
| May 21, 2014      | Shares split by 5                         |                     | 0                         | 6,656,955              | €0.40     | €2,662,782     |
| January 23, 2020  | Capitalization of reserves <sup>(2)</sup> | €30,998.80          | 0                         | 6,734,452              | €0.40     | €2,693,780.80  |
| January 27, 2021  | Capitalization of reserves <sup>(2)</sup> | €34,729.20          | 0                         | 6,821,275              | €0.40     | €2,728,510     |
| October 21, 2021  | Capitalization of reserves <sup>(2)</sup> | €27,713.20          | 0                         | 6,890,558              | €0.40     | €2,756,223.20  |

<sup>(1)</sup> subscription by employees who are beneficiaries of a stock option plan.

<sup>(2)</sup> final allocation of free shares.

The Company's shares and assets are not pledged.

### 19.1.2. Shares Authorized and not yet Issued

| AGM               | Delegation type                        | Amount granted   | Date              | Amount exercised |
|-------------------|--|--|-------------------|------------------|
| May 19, 2021      | Stock options and securities issued    | €1,350,000   | July 19, 2023     | 0                |
| May 25, 2022      | Stock repurchase                       | 10% of the capital of the Company calculated on the purchase decision date, less any shares resold as part of this authorization | November 25, 2023 | 0                |
| December 15, 2022 | Allocation of free shares to employees | 5% of the share capital at the date when the Board of Directors decides to allocate them   | February 15, 2026 | 0                |

At December 31, 2022, there were no non-issued dilutive shares likely to lead to the potential dilution of the capital stock at that date.

### 19.1.3. Shares Not Representing Capital

There are no shares that do not represent capital.

### 19.1.4. Treasury Shares

In accordance with Article L.22-10-62 of the French Commercial Code on commercial companies, the General Shareholders' Meeting may authorize the Company to purchase its own shares on the stock exchange for a maximum amount of 10% of the shares comprising the capital stock, in order to manage the market or liquidity of the share, through an investment service provider, carry out acquisitions, cancel the shares thus acquired, allocate them to holders of securities giving access to the Company's capital, or allocate them to employees and corporate officers under stock purchase options, free share awards, or a company savings plan.

All authorizations by the General Shareholders' Meeting must establish the conditions for the operation and notably, the maximum purchase price and the timeframe in which the acquisition may be made, not exceeding eighteen months.

In this respect, the Annual General Shareholders' Meetings called to approve the financial statements for the years 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 agreed to such authorizations.

The General Shareholders' Meeting of May 25, 2022 authorized the Board of Directors to acquire on the stock market a maximum number of shares corresponding to 10% of the capital stock of the company calculated on the day of the purchase decision, less any shares sold during the period of authorization, in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, and set the maximum purchase price at €110.

This authorization is valid for a period of eighteen months. It cancels and replaces the authorization given by the General Shareholders' Meeting of May 19, 2021.

No purchase of treasury shares was carried out under the repurchase program between January 1 and December 31, 2021. As of December 31, 2022, the Company held 3,430 treasury shares repurchased under the liquidity contract. As of December 31, 2022, the Company did not hold any treasury shares purchased under previous buyback programs.



The transactions carried out under the liquidity contract entered into with Gilbert Dupont between January 1, 2022 and December 31, 2022 are as follows:

|          | <b>Quantity</b> | <b>Weighted average price</b> | <b>Gross amount</b> |
|----------|-----------------|-------------------------------|---------------------|
| Purchase | 33,000          | €52.0078                      | €1,716,257          |
| Sale     | 31,716          | €52.2297                      | €1,656,516          |

#### **19.1.5. Complex Securities**

There are no convertible or exchangeable securities or securities with warrants.

#### **19.1.6. Acquisition and/or Bond Rights in Respect of Unpaid Capital**

There are no acquisition and/or bond rights attached to subscribed capital that is not paid up.

#### **19.1.7. Options or Conditional Agreements for Members of the Group**

There are no capital shares belonging to a Group member subject to an option or a conditional or unconditional agreement.

#### **19.1.8. History of Capital Stock**

See table above in section 19.1.1 "Changes in Capital Since the Creation of the Company" on page 159.

### **19.2. MEMORANDUM AND ARTICLES OF INCORPORATION**

The company was registered with the Trade and Companies Register (RCS) on December 31, 1979.

The latest version of the Articles of Incorporation is that dated October 21, 2021.

#### **19.2.1. Corporate Purpose**

Article 3 of the Articles of Incorporation defines the purpose of the Company as follows:

The Company's purpose is as follows, in France and abroad:

- consulting and provision of IT and telematics services;
- analysis, programming, production and sale of software;
- consulting, expertise, and audit services in relation to the purchase of IT hardware, the development of applications or systems, and the organization of IT departments;
- support in the implementation of teletransmission networks;
- employee training;
- hire, sale of electronic equipment or for its partial use;
- and, generally, any industrial, commercial, real estate, movable property or financial transactions relating directly or indirectly in whole or in part to any of the aforementioned purposes and any similar or related purposes".

#### **19.2.2. Capital Stock and Shares**

The Articles of Incorporation updated on October 21, 2021 show a capital stock of €2,756,223.20 divided into 6,890,558 shares of par value €0.40 each.

The shares are all of the same category. There are also shares with double voting rights. This right is conferred on shares registered to the same shareholder for two years.

The company has no provisions in its Articles of Incorporation or other provisions having the effect of delaying, deferring, or preventing a change of control.

### **19.2.3. Members of the Administration and Management Bodies**

Articles 16, 18, and 21 of the Articles of Incorporation respectively define the composition of the Board of Directors, its organization and its management structure and Executive Management as follows:

#### **Article 16 - BOARD OF DIRECTORS**

1 - Unless otherwise stipulated by legal exemptions, the Company shall be managed by a Board of Directors with three members at least, and eighteen members at most.

2 - During the course of the Company's existence, the directors shall be appointed or reappointed by ordinary General Shareholders' Meeting. However, in the event of a merger, directors may be appointed by the Extraordinary General Shareholders' Meeting called to approve the transaction.

3 - The term of office for directors shall be SIX years.

This term shall end following the ordinary General Shareholders' Meeting called to approve the financial statements for the past fiscal year and held in the year during which the term of office of the director expires.

Directors may be re-elected. They may be removed at any time by the Ordinary General Shareholders' Meeting.

4 - Individuals over 90 years of age may not be appointed as director if their nomination means that more than a third of the members of the Board are over this age. If this proportion is exceeded, the oldest director is deemed to have withdrawn from office following the ordinary General Shareholders' Meeting called to approve the financial statements for the fiscal year in which this proportion is exceeded.

5 - The directors may be individuals or legal entities. Legal entities, on their nomination, must designate a permanent representative who is subject to the same conditions and obligations and who incurs the same liabilities as if they were a director themselves, without prejudice to the joint and several liability of the legal entity they represent.

When the legal entity decides to terminate the mandate of its permanent representative, it must notify the Company immediately, by registered mail, of its decision and the identity of the new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

6 - In the event of vacancy due to death or resignation of one or more directors, the Board of Directors may, between two Annual General Shareholders' Meetings, proceed to appoint a director or directors temporarily in order to complete the positions of the Board. These appointments must take place within three months of the vacancy, where the number of directors falls below the minimum set by the Articles of Incorporation, without however falling below the legal minimum.

Provisional appointments made by the Board are subject to ratification at the next Ordinary General Shareholders' Meeting. Pending such ratification, decisions made and the actions carried out shall remain valid.

When the number of directors falls below the legal minimum, the directors in office must immediately convene the ordinary General Shareholders' Meeting in order to complete the Board.

A director appointed to replace another director shall only remain in office for the remainder of the predecessor's term of office.

7 - Individuals may not simultaneously hold a position on more than five Board of Directors or Supervisory Boards of public limited companies with their corporate address in mainland France, except in those cases stipulated by law.

8 - A Company employee may only be appointed as director if their contract is an actual position in the company. They shall not lose the benefits of this employment contract. The number of directors who have an employment contract with the Company may not exceed a third of the directors in office.

9 - Director representing employees

Provided that the company does not benefit from the exemption provided for in the second paragraph of I. of Article L.225-27-1, I of the French Commercial Code, an employee representative is appointed to the Board of Directors.

When the number of members of the Board of Directors appointed by the Ordinary General Shareholders' Meeting is less than or equal to twelve, one director representing the employees shall be appointed. If the number of

members of the Board of Directors is greater than twelve, two directors representing the employees shall be appointed.

In accordance with Article L.225-27-1 of the French Commercial Code, the director representing the employees is elected by the employees of the company and its direct or indirect subsidiaries whose registered office is established in France under the conditions set out in Article L.225-28.

The term of office of a director representing the employees is three years and takes effect on the date of his appointment. This term shall end following the Ordinary General Shareholders' Meeting ruling on the financial statements for the past fiscal year held in the year during which the term of office of the director expires. It is renewable.

In the event of a vacancy due to the death, resignation or dismissal, termination of the employment contract or for any other reason whatsoever, of a director elected by the employees, his or her alternate shall take office immediately. In the absence of an alternate able to perform the duties, a new election shall be held within three months.

If the terms of application provided for in Article L.225-27-1 of the French Commercial Code are not maintained at the end of a fiscal year, the term of office of the director representing the employees shall end at the end of the General Shareholders' Meeting called to approve the financial statements for said fiscal year.

## **Article 18 - ORGANIZATION AND MANAGEMENT OF THE BOARD OF DIRECTORS**

1 – The Board of Directors shall elect a chairman from among its individual members and set the chairman's remuneration. The Board shall set the term of office of the chairman, which may not exceed that of his term as director.

2 - No one over the age of 90 may be appointed Chairman of the Board of Directors. If the chairman in office exceeds that age, he is deemed to have withdrawn from office.

3 – The chairman represents the Board of Directors. He shall organize and manage the work of the Board, reporting back at the General Shareholders' Meeting. He shall be responsible for the proper operation of the Company's bodies and for ensuring, in particular, that the directors are able to fulfill their tasks.

4 – If the chairman is absent or unable to attend, the Board of Directors shall nominate the chairman of the meeting.

5. The Board of Directors shall appoint a secretary who may be chosen from among or outside its members. The secretary shall be replaced by simple decision of the Board.

## **Article 21- EXECUTIVE MANAGEMENT**

### ***Forms of exercise***

In accordance with Article L.225-51-1 of the French Commercial Code, the executive management of the Company is entrusted to either the Chairman of the Board of Directors or to another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The choice between these two forms of exercise of Executive Management is made by the Board of Directors. The Board's decision relating to the choice of the form of executive management is taken by a majority of the directors present or represented. The Board of Directors' decision shall be communicated to shareholders and third parties according to the terms and conditions stipulated by applicable regulations.

The option chosen by the Board of Directors remains valid for as long as the Board of Directors does not decide to change the method of executive management.

The change in the method of executive management does not result in an amendment to the Articles of Incorporation.

### ***Executive Management***

According to the form of exercise chosen by the Board of Directors, the Chairman or Chief Executive Officer shall be responsible for the executive management of the Company.

The Chief Executive Officer is appointed by the Board of Directors which sets his term of office, remuneration and, where appropriate, the limitations of his powers.

To carry out his duties, the Chief Executive Officer must be under 90 years of age. If this age limit is reached during his term of office, the Chief Executive Officer shall be deemed to have withdrawn from office and a new Chief Executive Officer shall be appointed.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. The dismissal of the Chief Executive Officer who is not Chairman may give rise to compensation if it is decided without just cause.

#### ***Powers of the Chief Executive Officer***

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company. He exercises these powers within the corporate purpose, and subject to the powers expressly allocated by law to General Shareholders' Meetings and to the Board of Directors.

He shall represent the Company in all its dealings with third parties. The Company is bound even by decisions of the Chief Executive Officer that do not follow the corporate purpose, unless it can prove that the third party knew that the decision in question fell outside said purpose or that in the circumstances, they must have been aware of this, it being stipulated that the publication of the Articles of Incorporation does not constitute sufficient proof to this end.

#### ***Executive Officers***

On the proposal of the Chief Executive Officer, regardless of whether this function is performed by the Chairman of the Board of Directors or by another person, the Board of Directors may appoint one or more individuals with the title of Executive Officer to assist the Chief Executive Officer.

The maximum number of Executive Officers is five.

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to the Executive Officers and sets their remuneration.

With regard to third parties, the Executive Officers have the same powers as the Chief Executive Officer.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Executive Officers retain, unless otherwise decided by the Board of Directors, their functions and powers until a new Chief Executive Officer is appointed.

The positions of Executive Officers may be revoked at any time, on the proposal of the Chief Executive Officer. The dismissal of an Executive Officer may give rise to compensation if it is decided without just cause.

#### **19.2.4. Rights, Privileges, and Restrictions Attached to the Shares**

Each share entitles the holder to a share in the profits and assets in proportion to the fraction of the capital that it represents. Shareholders are only liable for losses up to the amount of their contributions.

The rights and obligations attached to the shares remain with the shares regardless of their owner. Ownership of a share automatically involves full acceptance of the Articles of Incorporation and decisions of General Meetings.

The heirs, creditors, beneficiaries or other representatives of a shareholder may not require seals on the assets and values of the Company or request their division or sale. Under no circumstances may they interfere in the administration of the shares. To exercise their rights, they must refer to statements of company assets and liabilities and decisions at General Meetings.

Whenever it is necessary to own several shares in order to exercise any right, or in the event of an exchange, grouping or allocation of shares, or as a result of an increase or reduction in capital, a merger or any other transaction, the holders of single shares or fewer than the required number of shares may only exercise this right provided that they personally see to the grouping and, where applicable, the purchase or sale of the necessary shares.

Unless prohibited by law, in the course of the Company's existence or on its liquidation, all the tax exemptions and charges as well as any taxes that may be borne by the Company shall be aggregated between all the shares before

making any payment or redemption, in such a way that, taking into account the par value and their respective dividend rights, the shares of the same class receive the same net sum.

### **Double voting rights**

There are also shares with double voting rights. The General Shareholders' Meeting of July 8, 1998 decided to grant double voting rights to all fully paid-up shares registered in the name of the same shareholder for at least two years, and to the registered shares granted to a shareholder in the event of a capital increase through the incorporation of reserves, profits or issue premiums, in respect of existing shares for which the shareholder is entitled to such right. Pursuant to this decision, the holding period allowing the allocation of double voting rights shall be retroactive from the General Shareholders' Meeting of July 8, 1998. The double voting right ceases *ipso jure* for any share converted to bearer form or transferred in ownership.

The double voting right may be waived by a decision of the Extraordinary General Shareholders' Meeting and after ratification of the special meeting of shareholders who own shares of the class concerned.

As of December 31, 2022, the number of shares with double voting rights was 2,962,012.

### **19.2.5. Changes in Shareholder Rights**

Any change in possible shareholder rights is associated with the acquisition of double voting rights (see paragraph 19.2.4 above).

### **19.2.6. Convening of Ordinary and Extraordinary General Meetings**

General Meetings shall be convened and held, and votes shall be organized, in accordance with the law. The General Shareholders' Meeting shall consist of all shareholders holding at least one share, who exercise their voting rights under the conditions laid down in the Articles of Incorporation. The right to attend or to be represented at the Meeting is subject to the registration of the shareholder in the Company's registers two business days before the date of the Meeting.

The General Shareholders' Meeting is chaired by the Chairman of the Board of Directors or by a member of the Board of Directors delegated for this purpose by the Board or, failing that, by a person appointed by the Meeting. The duties of returning officer shall be performed by two members of the meeting with the greatest number of votes and accepting these functions. The officers appoint a secretary who can be chosen from outside the shareholders. The deliberations of the General Shareholders' Meeting shall be recorded in minutes in accordance with the law. Ordinary and Extraordinary Annual General Meetings, voting under the conditions of quorum and majority specified by the provisions which respectively govern them, exercise the powers allocated to them by law.

In the event of a public offer of financial securities, a meeting notice containing the information provided for in Article R.225-73 of the French Commercial Code shall be published in the French Official Journal at least thirty days before the meeting of shareholders.

As a reminder, the concept of "public offering for savings" has been replaced by the concept of "public offer of financial securities" since the Ordinance of January 22, 2009 relating to public offerings and various provisions in financial matters.

### **19.2.7. Change of Control**

There are no provisions in the Articles of Incorporation that could have the effect of delaying, deferring, or preventing a change of control.

### **19.2.8. Threshold Crossings**

The Company's Articles of Incorporation do not require the disclosure of threshold crossings other than when provided for by the legal provisions in force. It should be noted that the threshold of 30% was added to the legal thresholds by French Law no. 2010-1249 of October 22, 2010, on banking and finance regulation.

Consequently, any shareholder who comes to hold, directly or indirectly, within the meaning of the provisions of Article L.233-7 of the French Commercial Code, a number of shares that would represent a percentage holding at least equal to the following legal thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 33.33%, 50%, 66.66%, 90%, 95% of

the capital stock, must inform the Company of the number of shares held within fifteen days of crossing any of these thresholds.

In the event of non-compliance with this obligation, the shares exceeding the fraction that should have been disclosed shall be stripped of voting rights under the conditions and limits provided for by law.

Similarly, any shareholder whose shareholding falls below one of the aforementioned thresholds is also required to inform the Company within fifteen days.

#### **19.2.9. Changes to the Capital Stock**

The Articles of Incorporation do not provide for any stricter conditions than those provided for by law in the event of a change in the capital stock, whether it is an increase or a reduction.

The conditions laid down by law must be complied with.

## **20. SIGNIFICANT CONTRACTS**

Significant contracts were concluded in the normal course of business (Article 22 of Regulation No. 809/2004).

## 21. AVAILABLE DOCUMENTS

Legal documents concerning the Company may be consulted at the registered office:  
Le Valmy  
4/16 avenue Léon Gaumont  
75020 Paris

Corporate information is available on the company's website at: [www.infotel.com](http://www.infotel.com).  
More specifically, the following information is available:

- Financial reporting calendar;
- Press releases;
- Annual reports;
- Analysis notes;
- Shareholders' questions;
- The Articles of Incorporation updated on October 21, 2021.

### 21.1. FINANCIAL REPORTING CALENDAR

For information purposes, the financial reporting calendar for 2023 is as follows:

- |                              |  |
|------------------------------|--|
| • January 25, 2023           | Q4 2022 revenue                                    |
| • March 22, 2023             | Audited 2022 full-year results                     |
| • March 23, 2023 morning     | Analysts' meeting                                  |
| • April 28, 2023             | Publication of the Universal Registration Document |
| • May 17, 2023 afternoon     | Annual General Shareholders' Meeting               |
| • May 17, 2023 evening       | Q1 2023 revenue                                    |
| • July 26, 2023              | Q2 2023 revenue                                    |
| • September 20, 2023         | Audited H1 2023 results + H1 financial report      |
| • September 21, 2023 morning | Analysts' meeting                                  |
| • October 25, 2023           | Q3 2022 revenue                                    |
| • January 31, 2024           | Q4 2023 revenue                                    |



## 22. CSR REPORT - CROSS-REFERENCE

|   |     |
|---|-----|
| 15.5 Report on Corporate Social and Environmental Responsibility (CSR) – Corporate Social Information ..... | 86  |
| 3.8 Report on Corporate Social and Environmental Responsibility (CSR) - Environmental Information .....     | 21  |
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| 15.8 The independent Third-Party's Report on Extra-Financial Performance Declaration .....                  | 102 |