

2023

Annual report



NEURONES

Forward together...®

Thank you...

... to staff members who kindly allowed us to take photos of them at work for inclusion in this annual report.

This document focuses solely on the nearly 6,750 stakeholders behind the Group's achievements in 2023 - though of course only a very small proportion of them appear in its pages.

In this document, Consulting and Digital services jargon, abbreviations and acronyms are used only when necessary to understand NEURONES' businesses. They are explained in the glossary from page 149 onwards.

38 years
of profitable growth

With close to **6,800 employees** and **revenues of €741 million,** NEURONES has worked its way up the French market to be one of the top 5 market capitalizations of in the Consulting and Digital Services sectors (including companies mainly involved in Technology Consulting).

Created from scratch in 1985 and listed since 2000, the Group has:
- achieved **sustained, profitable growth** for 38 years,
- formed a **proven, solid core,** mostly through organic development,
- joined forces with about twenty companies with **complementary core businesses** through external growth;
- recorded **average annual growth rate in excess of 10%** over the last ten years.

NEURONES has grounded its enduring success on a continually tailored line of services, currently focused on **digital transformation,** along with a **dynamic human resources policy** and a novel organization of **shareholder-entrepreneurs.**

€741m
2023
REVENUES

10.2%
2023
OPERATING MARGIN

6,750
STAFF
AT 12/31/2023

Overview of 2023

Infrastructure

Azure-lutely brilliant

One of the group's **cloud** specialists has been awarded the exclusive status of "Azure Expert MSP", which only a dozen or so other companies have achieved in France. This label confirms the company's position as an expert in the hybrid cloud, which combines the best of the public cloud and the sovereign cloud.

Microsoft Partner | Azure Expert MSP
Microsoft

Group

At the top

Growing two to three times faster than the market, NEURONES enters the **top 10** of the **PAC 2023 ranking** of Digital Services Companies in France, and is now recognized as a key player in the French tech ecosystem!

Consulting

Climate first

In line with its status as a company with a mission, the **Management Consulting** business joined the Convention des Entreprises pour le Climat (dedicated to Consulting players), accelerating the evolution of its business model aimed at eco-responsible business transformation projects.

Applications

SAP in the spotlight

Three of the Group's companies took part in the USF trade fair, the leading annual event for the **SAP ecosystem.** Their common objective was to share client feedback on consulting, project management and user support.

Infrastructure

Tech care

The **Digital Workplace** experts launched "TechCare3 Environment", their Green IT line of services, enabling IT Departments to make a positive impact in terms of digital sobriety, by assessing and reducing the energy consumption and CO2 impact associated with the use of their workstations.

Applications

Pro tests

The **Mobile Applications and Web** experts launched "Digital Testing", a comprehensive range of testing services (functional, accessibility, pentesting, performance, eco-design, etc.) to optimize the quality and performance of digital solutions, while ensuring an optimal user experience.

Infrastructure

1, 2... Tree

The User Support specialists established a partnership with **EcoTree,** enabling them to plant several hundred trees over the last few months, thereby contributing (at their level) to the development of wooded areas that capture a portion of the CO_2 emissions.

Infrastructure

Maximum threat

In the second half of the year, the Group's IT security unit hosted the "Threat Intelligence Annual Conference". Featuring keynotes, workshops and live demonstrations, the event confirmed the Group's comprehensive expertise in **cyber** threat **intelligence.**

Consulting

Strategic reinforcement

A **strategy consulting** firm has joined the group's management and organization consulting practice.
The new entity (which has been awarded the B Corp® and "Entreprise à Mission" labels) strengthens NEURONES' capacity to achieve one of its ambitions: to become a key player in sustainable and responsible transformation consulting in France.

Certified B Corporation

COMMUNAUTÉ DES ENTREPRISES À MISSION

Applications

Emerging company

A new company has joined the Group, consolidating its digital services offering. It specializes in **Data** (acquisition, analysis, storage and exploitation), **DevOps** (design, migration, audit, improvement, security and monitoring of infrastructures) and **Cloud** (evolution of existing systems or move to cloud).

Infrastructure

Inclusion

#activateur de progrès
EMPLOI & HANDICAP

Digital Workplace specialists have signed the **Activateur de Progrès** charter. By joining this network of companies that see disability as a lever for progress, they are stepping up their commitment to inclusion and equal opportunities.

Infrastructure

Platinum medal

The IT operations entity has been awarded the **Platinum** Medal by **EcoVadis.** This medal places it among the best (first percentage) companies evaluated, recognizing the positive approach adopted to improve its CSR management performance and generate a positive impact.

PLATINUM Top 1%
2023 ecovadis Sustainability Rating

Applications

Mobile service

Our experts in **mobile and web applications** have launched WAAS (Workspace As A Service), a new easy-to-use service offer that enables businesses to configure, secure and manage their fleet of terminals. This service is provided on the basis of a flexible, scalable subscription.

Consulting

A good listen

The Group's organization consultancy has launched a series of **podcasts** entitled "Pacte vert: L'élan de la transformation". Energy experts, political and economic players, all **committed to the energy transition,** take part to enrich the debate around the European objectives of carbon neutrality by 2050.

Group

Great recruiter

With 2,400 recruitments planned, NEURONES is ranked 21st among the companies (all categories included) that will be hiring the most in 2024 in France (source: L'Usine Nouvelle), and once again in the **top 5** of ESNs, thanks to growth that is still **two to three times faster** than its benchmark market.

Consulting

wanTED

The strategy consulting firm hosted one of the famous **TED conferences** in Paris at the end of the year, on the theme of "thinking of the company as a living organism". The company's belief in a systemic vision of business was developed, emphasizing the importance of commitment and resilience in a changing world.

Infrastructure

Disability and inclusion

Two of the Group's entities took part in DuoDay, a national day of welcoming people with disabilities to form a duo with each of the professionals from the volunteer companies. Its watchwords: **employment** as one of the **vectors of inclusion.**

Applications

CAP IT

The specialists in IT consulting for finance were partners of the CAP IT Congress, the event dedicated to the **digital transformation of the banking and insurance sector.** They presented their vision of the subject and the future of IT, as well as their role in this transition.

CAP IT
| BANQUE | ASSURANCE | FINANCE |

Infrastructure

Verified status

The expert user support business has been awarded VMware Cloud Verified status for its **local Cloud** service. This label certifies that it is able to implement and operate a complete datacenter infrastructure and associated services based on the publisher's most advanced Cloud technologies.

vmware CLOUD VERIFIED

Applications

Mobilis in mobile

An entity specializing in **mobile applications** has been integrated to further reinforce the Group's already-strong presence in this field. It provides an agile service center, made up of multi-disciplinary teams that can be resized and adjusted, according to the build and run phases of mobility projects.

Applications

Analytics

A new group entity will supplement NEURONES' SAP service offer. Specialized in the **SAP Analytics Cloud,** it helps businesses to exploit the full value of their data, to make more informed decisions and remain competitive in today's ever-changing markets.

Infrastructure

Super SOC

The Cybersecurity expert was named **"Leader"** in Managed **SOC** (Security Operations Center) in France in the "Cybersecurity – Services and Solutions" category. ISG (Information Services Group) has thus recognized excellence in the management and operation of security infrastructures.

Group

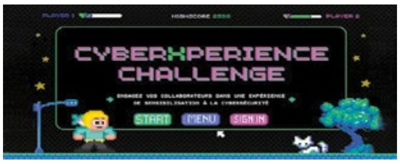
Frescoing

Several Group entities took an active part in the **"Climate Fresco"** event, a fun workshop designed to explain the components of individual and collective solutions to combat global warming.

Infrastructure

Cyberchallenge

Cybersecurity experts have developed the CyberXperience Challenge, a wide-ranging initiative aimed at raising employees' awareness of digital practices, thanks to turnkey modules (conference, quiz, serious game, etc.) designed to improve their ability to defend themselves against cyber threats.



Infrastructure

Treading lightly

The Digital Workplace experts have become partners of Karos, a **home-work carpooling** application: they now reduce their daily commuting costs and their carbon footprint, while benefiting from the government's one hundred euro bonus!

Applications

Lucky 7

For the seventh year running, our business line specialized in document management business was awarded the **"HappyIndex®AtWork"** label, an award based on acknowledgement from employees, who recommend their company due to the quality of its management and working environment.

Consulting

Going green

As the consulting sector plays a crucial role in supporting sustainable and responsible transformations, two entities from the Consulting division took part in the **Convention des Entreprises pour le Climat.** The aim being to make collective commitments and work towards the co-construction of a regenerative company.

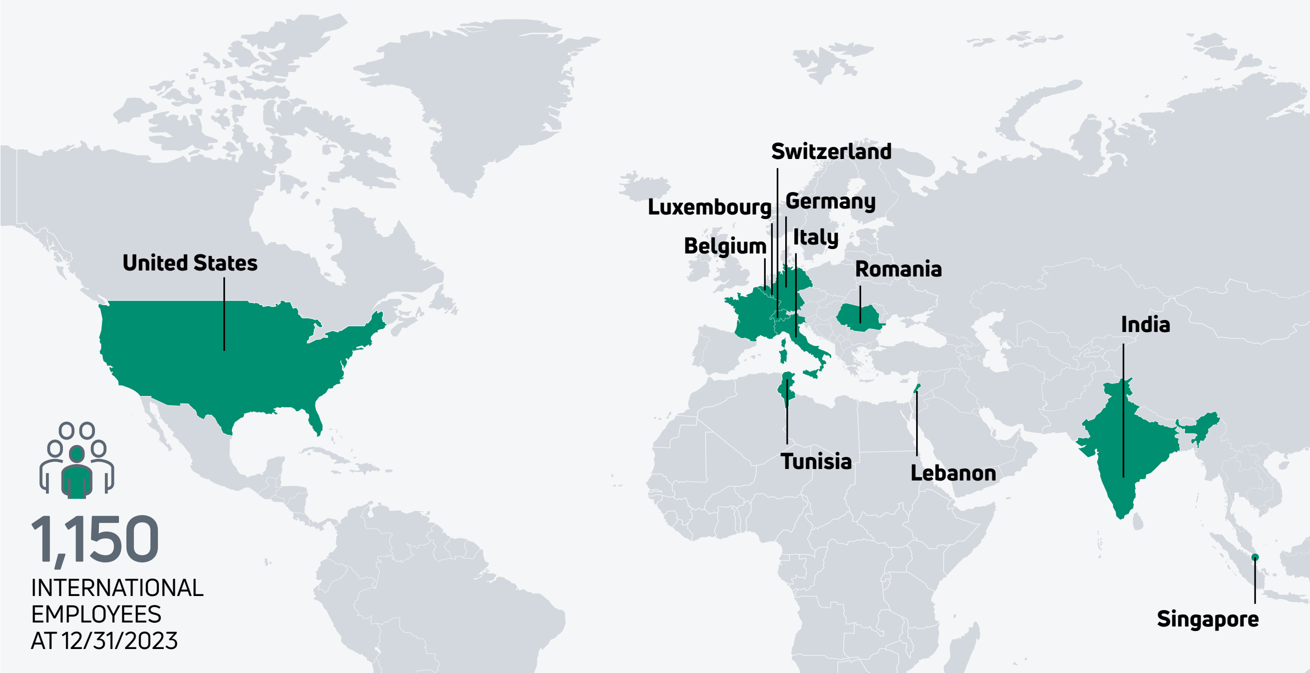
Applications

EDM

The group's EDM, ECM and BPM experts took part in the closing ceremony of the ninth Tour de France de la Diversité. As a signatory of the eponymous charter, this was an opportunity to renew our commitment to the fight against discrimination, particularly through access to employment and inclusion.

Group

International presence



1,150
INTERNATIONAL EMPLOYEES AT 12/31/2023

NEURONES IN 2023

Chairman's message

From 96 to 156: that's the number of pages in your company's annual report between 2003 and 2023.

The amount of mandatory information is certainly increasing. What remains to be done is to ensure that this contributes to providing the public and investors with better information... Because shareholders, who "board the same boat" as management, deserve to be informed about the essentials. In the paragraphs and pages that follow, every effort is made to put ourselves in their shoes. And in so doing, to reduce the knowledge gap with those who, from the inside, have been involved with the company for more than three decades.

Detailed explanations also help to overcome the dwindling sources of documentation, due to the serious decline in the number of colleagues listed on Euronext.

So what can we learn from the past year, and what can we expect from the years to come?

1 – The most important thing: keeping our promises

as in previous years, the company exceeded its 2023 forecasts. The main financial indicators bear witness to this:

- *Revenues:* at €741.2m (exceeding the €730m forecast), revenues were up +11.4%. Organic growth of +11.1% remains in double digits (after +14.2% in 2022 and +10.1% in 2021). This is again more than twice the rate of its benchmark market, which grew by 4.1%;
- *Operating profit:* the 10.2% figure for the year is within the usual range (between 8% and 11%). The estimate ("around 10%"), reiterated during the year, is therefore confirmed;
- *Free cash flow:* at €51.6m, up 37.2%. This was despite substantial capital expenditure (€17.9m), much of it devoted to the new "sovereign cloud" platform (see glossary page 155);
- *Net profit* (after tax): up +13.2%, reaching an all-time high of 7.9% of revenues (compared with 7.8% last year), and increasing shareholders' equity to €407.8m;
- *Net cash* ("excluding IFRS16"): at €290.4m, even after the distribution of a dividend up by 10%, this is a new high. And, at current interest rates, the best return on available cash is always worth taking!

This continuity with previous years is due to:

- the scarcity of exogenous factors in the Consulting and Digital Services businesses likely to cause lasting disruption to business;
- the Group's organization into profit centers with buoyant specialties, with owners who are shareholders: this generates complementary dynamics, profitability rates and diversity.

Fair shareholder information also means mentioning the following points:

- high inflation (4.9% in 2023 and 5.2% in 2022, according to Insee) facilitates double-digit growth;
- the difficulty of passing on wage cost rises in real time is eating away at the operating profit rate (10.2%, i.e., below the 2022 record of 11%);
- the ongoing shortage of consultants, and the move by some to work as freelancers, is leading to an increase in subcontracting, which is ultimately weighing on margins;
- as far as external growth is concerned, beyond the value-creating opportunities sought and seized, a large number of projects are coming to the fore, but without a profitable dynamic or succession management;
- in these businesses, where the future is assured and execution is relatively easy, there is a structural shortage of entrepreneurs who enjoy competition.

> Enthusiasm is the basis of all progress.

All in all, the share price rose by a further 11.5% in 2023. During the year, capitalization exceeded one billion euros, a symbolic milestone on the road to one billion euros in revenues.

2 – The company, its market and its driving forces

the figures above are part of an ever-expanding environment that's easy to understand. Just like your company's businesses, strengths and organization.

First of all, up until now, the sector has been growing two or three times faster than France's GDP (where NEURONES mainly operates). In 2023, the gap widened (+4.1% for the French market and +0.9% for GDP), and the same gap is forecast for 2024. This could be indicative of a lack of correlation between the economic situation and investments in Consulting and Digital Services, some of which are now becoming virtually indispensable.

Against this backdrop, NEURONES has been able to count on:

- its ability to innovate: after two and a half years of R&D and a good twenty million euros invested, one of the Group's entities is now one of only four French players to have been awarded the "SecNumCloud" label. This recognition attracts administrations and companies who want to prevent third parties abusing extraterritorial laws from gaining access to their data;

- accumulated know-how: for example, our cybersecurity business was born over twenty-five years ago. Today, it takes advantage of Machine Learning and Artificial Intelligence to monitor and detect increasingly aggressive threats. Another entity has become the benchmark in its field for user and employee experience. While another has strengthened its recognized expertise in SAP, notably in the Energy and Water sectors. These and other "franchises" are solid assets;
- an ability to rapidly extend the range of new services: in 2023, several start-ups with new know-how were born, while the Group's Management Consulting firm convinced a group of Strategy Consultants to join forces with its own, and an applications specialist strengthened its "mobility" practice;
- modular team organization: this facilitates proximity, agility, initiative and rapid reaction, all of which are essential in our business units. It also facilitates close monitoring of the needs of each employee, a true "internal client". It also allows for recruitment that is demanding because it is decentralized, integration paths and professional frameworks (flexible working hours and locations, convivial spaces, etc.) that contribute to well-being in the office, and personalized support to attract, motivate and train generations X, Y and Z.

> If you fail to invest in the long term, there is no short term.

On this last point, the path to success is well known: happy employees mean happy clients and satisfied shareholders. So thank you to our managers and their teams for these successes, year after year. They believe that *"enthusiasm is the basis of all progress"*.

To the former belongs the virtue of daring, opening up the field of possibilities, then choosing from among numerous opportunities, sharing their views and thus leading the way. And everyone knows that *"if you fail to invest in the long term, there is no short term"*. Proximity to the realities on the ground, curiosity about the environment, experience and common sense enable them to define the next steps. Of course, they know what they owe to the managers and staff who work alongside them on missions and projects that are a source of pride.

So when it comes to execution, the boss-partners rely on their managers, which is "everything" in a service company. With real delegation, they listen carefully to avoid over-reacting, support, share their experience, decide and explain to win support, give meaning to their work and pass on their know-how to those they have helped to grow up to succeed them.

Finally, at Welcome Days and other integration events, our 7,000 employees are reminded that *"where others have succeeded, success is always possible"*, in the words of a famous French poet, writer and aviator. And yet, Antoine de Saint-Exupéry was a pilot whose working conditions were undeniably more demanding and riskier than those of the Consulting and Digital Services business!

3 – The best is yet to come

the 2023 financial year is over, of course. But, as a Nobel Prize winner once said, *"The past is always present"*, and the underlying trends remain. The market's driving forces thus allow us to look to the future with optimism. Need we remind you that:

- the digital environment is growing fast, the virtual is intertwining with the real, and machines are self-learning. As technology becomes more and more widespread, according to elastic timing and methods, it becomes almost "as indispensable as the very air we breathe";
- adoption times (new solutions, new uses) are getting shorter. And who would doubt the profoundly transformative potential of the various versions of generative Artificial Intelligence which, when made available to the widest possible audience in everyday tools, will bring even greater efficiency?
- for clients, consumers and employees, any offer enhanced and made more fluid by digital technology becomes an "acquired advantage". They always want more from their suppliers (and their employer!). Their loyalty, never won, has to be earned every step of the way;
- progress feeds progress, and the exponential growth in data volumes shows no signs of stopping, nor does this "permanent revolution" in solutions for constantly advancing knowledge and, let's hope, solving certain challenges linked to the future of the planet.

In such a context, there is undoubtedly a chain of interdependent interests: clients - consulting firms and digital services companies - technology "manufacturers":

- the latter, focused on R&D and marketing, need intermediaries to disseminate their increasingly high-performance solutions throughout a vast economic fabric;
- the dozens of decision-makers in each major account are multiplied by facilitators such as your company. They need this intermediary to step up the implementation of multiple transformations and the simultaneous adoption of new products arriving in a steady stream;
- this convergence of interests and hunger for technology will sustainably fuel NEURONES' revenues, if necessary, through the creation of innovative business units or internal start-ups around new technological bricks.

The challenges facing your company boil down to:

- constantly seeking out the most committed men and women in the market and internally, convinced that time is running out to succeed in their professional lives. Then creating the right conditions for them to make the most of their strengths, and thus embark on a spiral of success;

- ensuring that everyone has a good reason to get up in the morning to work, whether at home telecommuting, in a friendly "coworking" space, or in a head office, with the pleasure of meeting their team-mates in the flesh, and with those informal exchanges that are the spice of life;

> Where others have succeeded, success is always possible.

- expanding the range of services offered, in terms of added value, to meet clients' increasingly sophisticated, varied and evolving needs. Internal training, entrepreneurial incentives and external growth are the tried and tested means;
- convincing ambitious fellow entrepreneurs that together we'll be stronger and go further, without affecting their entrepreneurial freedom, as the Group has been demonstrating for some thirty years;
- contributing to stakeholders' expectations in terms of raison d'être, social and environmental issues, by being a player who acts in the right direction and helps to make the world a little better.

At the end of 2023, Les Echos.fr's headline about NEURONES was *"Net profit multiplied by 17 since 2000".*

A financial analyst added: *"An annual yield (including dividends) of 16.6% for the past 15 years, and even 24.7% every year since 2018".*

These figures from the past may be old-fashioned, but they are very real.

But for entrepreneurs focused on building the future, there is only one good reason to look back: to thank once again the employees, clients and partners who have made this new step forward possible. It is essential for the future.

In 2024 and beyond, the guiding principle remains profitable growth, as strong as possible, achieved through a combination of convictions (forged by observation), determination, pragmatism and common sense.

And since an English biologist and philosopher once reminded us that: *"The purpose of life is not knowledge but action",* so now, as we hear on movie sets, "Action!"

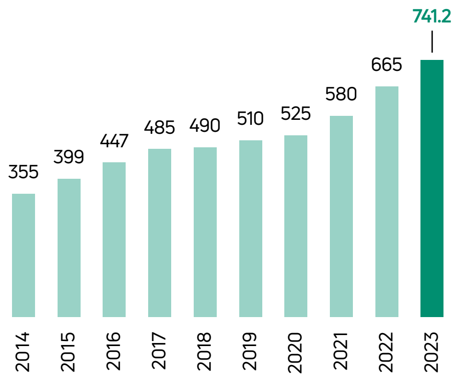
Luc de CHAMMARD
Chairman and CEO

KEY SHAREHOLDER-DIRECTORS

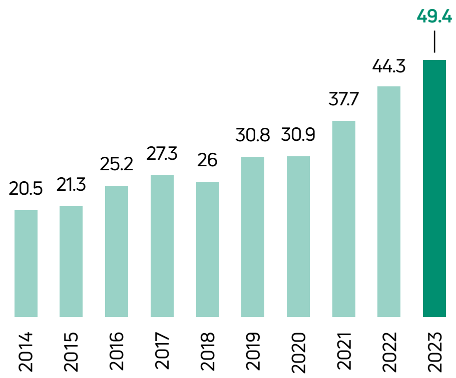
From left to right. **First row:** Bertrand DUCURTIL and Luc de CHAMMARD.
Second row: Franck DUBRAY, Elsa CUISINIER, Jean-Pierre LAFONT, Jean-François HALLOUËT, Bernard LEWIS, Vincent GRZECZKOWICZ and Guillaume BLANCHETIÈRE.
Third row: Cyrille BARTHÉLÉMY, Alain LE BRAS, Benjamin PONS, Joseph KHOURI, Charles BLANCHOT, Jérôme PEREZ, Stéphane RAILLARD, Jérôme LEHMANN, Jean VELUT, Olivier LE BAILLY and Jérôme BELZACKI.

Key figures

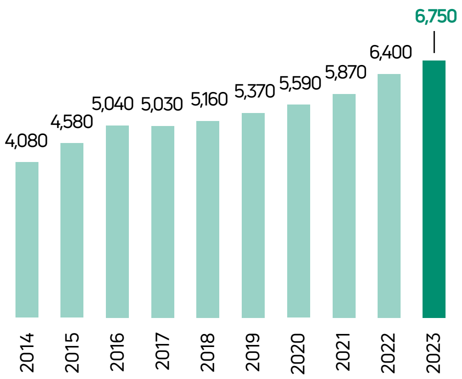
CONSOLIDATED REVENUES
(in millions of euros)



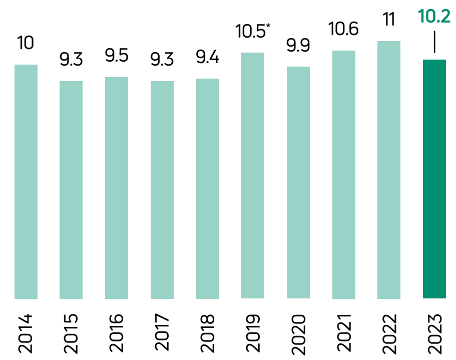
NET PROFIT – GROUP SHARE
(in millions of euros)



HEADCOUNT
(year-end)



OPERATING MARGIN
(%)



* 9.6% excluding capital gains on disposals.

+11.1%

ORGANIC REVENUE GROWTH
IN 2023

+8%

COMPOUND ANNUAL GROWTH RATE
OVER 10 YEARS (2013-2023)

CONSOLIDATED INCOME STATEMENT
(in millions of euros)

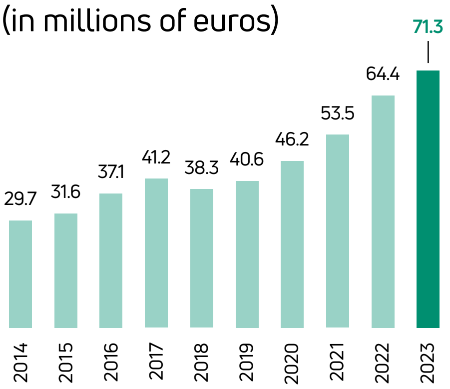
	2022	2023
Revenues	665.4	741.2
Business operating profit*	**77**	**81.5**
% of revenues	11.6%	11%
Operating profit	**72.9**	**75.9**
% of revenues	11%	10.2%
Financial profit	0	4.9
Tax on earnings	(21.1)	(22.2)
Net profit for the period	**51.8**	**58.6**
% of revenues	7.8%	7.9%
- of which net profit – Group share	44.3	49.4
- of which minority interests	7.5	9.2

* Prior to cost of bonus shares and impairment of assets.

SIMPLIFIED CASH FLOW STATEMENT
(in millions of euros)

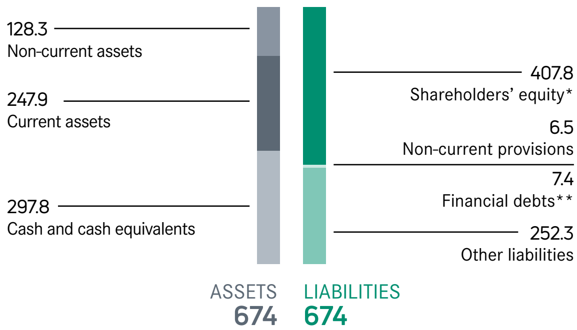
	2022	2023
Net profit	51.8	58.6
Non-cash items	12.6	12.7
Change in WCR (increase)/decrease	(16.2)	(1.8)
Net industrial investments	(10.6)	(17.9)
Free cash flow	37.6	51.6
Net financial investments	(4)	(5.8)
Net capital increase and disposal of securities	2.2	2.2
Other (dividends, etc.)	(28.9)	(24.6)
Change in cash and cash equivalents	+6.9	+23.4
Cash and cash equivalents at year-end	**272**	**295.4**

CASH FLOW FROM OPERATING ACTIVITIES*
(in millions of euros)



* Net profit + non-cash items (mainly net depreciation and provisions).

CONSOLIDATED BALANCE SHEET AT 12/31/2023
(in millions of euros)



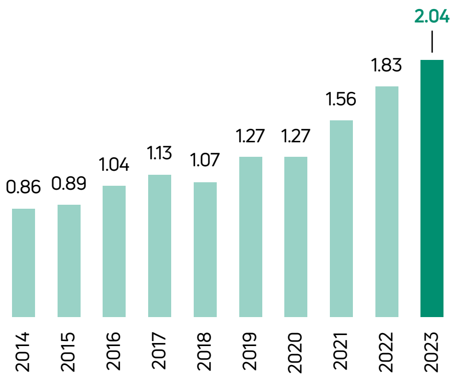
* Of which minority interests: 53.5.
** Short-term and long-term financial liabilities, including bank overdrafts: 2.4.

11%
2023
BUSINESS OPERATING MARGIN

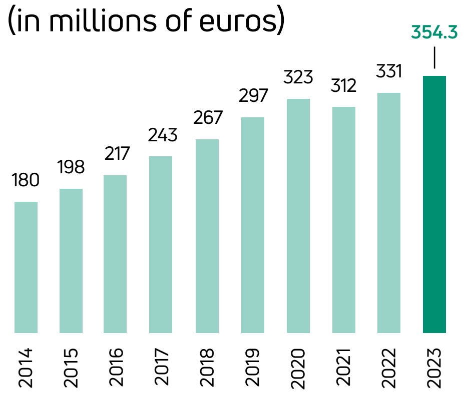
€290.4m
NET CASH
AT 12/31/2023

Shareholder information

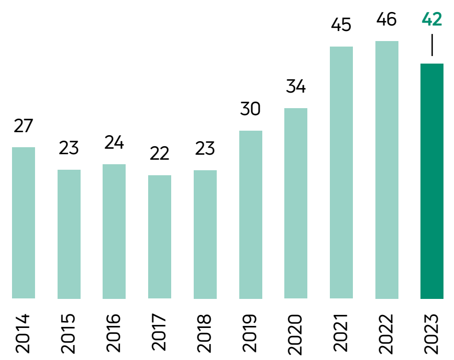
NET PROFIT – GROUP SHARE BY SHARE (en euros)



CONSOLIDATED SHAREHOLDERS' EQUITY GROUP SHARE (in millions of euros)

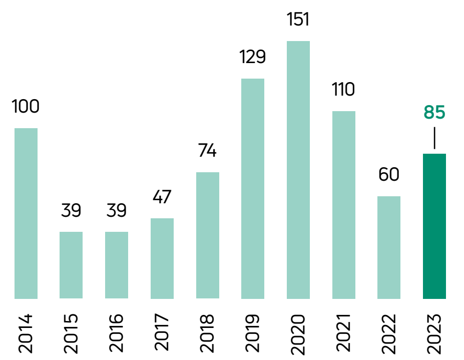


RETURN ON CAPITAL EMPLOYED* (%)



* Operating profit after deduction of income tax (calculated at the applicable rate) divided by capital employed (goodwill + fixed assets + working capital requirement).

CASH CONVERSION RATE* (%)



* Before payment of dividend.

42%

RETURN ON CAPITAL EMPLOYED IN 2023

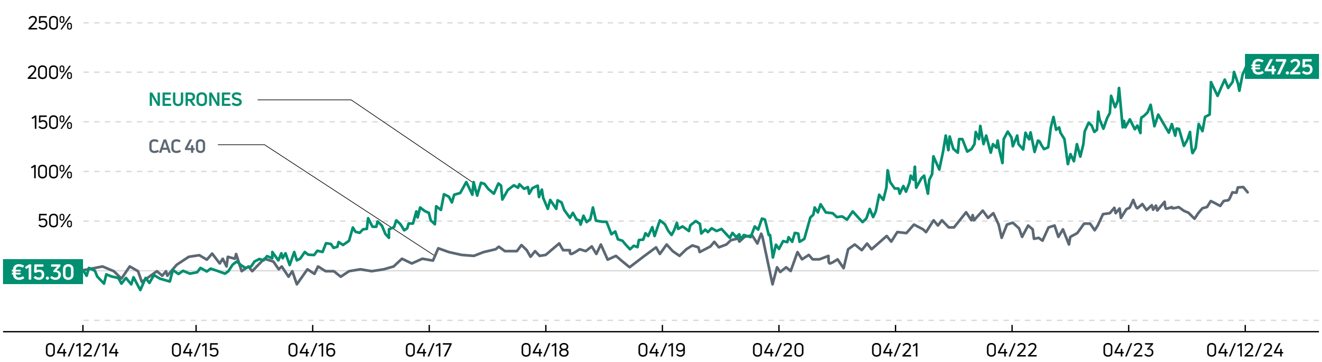
€1.20

PER SHARE DIVIDEND PROPOSED AT THE SHAREHOLDERS' MEETING ON JUNE 6, 2024

STOCK MARKET INDICATORS OVER THE PAST 10 YEARS
(share price, capitalization, number of shares)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Highest price (in euros)	16.00	18.35	24.70	29.80	29.00	23.30	26.00	38.10	39.95	45.55
Lowest price (in euros)	12.30	13.50	16.25	21.50	18.20	18.30	16.95	23.00	30.20	33.45
Closing price (year-end - in euros)	13.86	17.41	22.36	28.80	18.90	20.60	23.40	38.00	39.25	43.75
Market capitalization (year-end - in millions of euros)	332	422	542	698	459	500	567	921	951	1,062
Number of shares (year end - in millions)	23.982	24.231	24.244	24.244	24.286	24.286	24.218	24.228	24.228	24.279

CHANGES IN NEURONES' SHARE PRICE OVER THE PAST 10 YEARS
(from April 12, 2014 to April 12, 2024)



INVESTOR RELATIONS

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CALENDAR

Shareholders' Meeting:
Thursday June 6, 2024

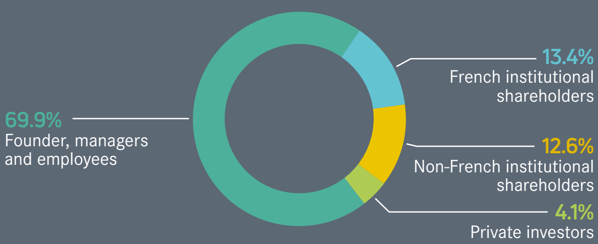
2nd quarter revenues:
Wednesday August 7, 2024*

1st half profit:
Wednesday September 11, 2024*

3rd quarter revenues:
Wednesday November 6, 2024 *

* Published after close of trading.

SHAREHOLDING
(breakdown of capital)



NEURONES SHARE
(data sheet)

Share price*	€47.25
Market capitalization*	€1,147m
Number of shares*	24,278,716
Average daily volume** traded in 2023	8,400 shares
Indexes	Euronext Paris (Compartment B - NRO) Euronext Tech Leaders – SRD mid-caps

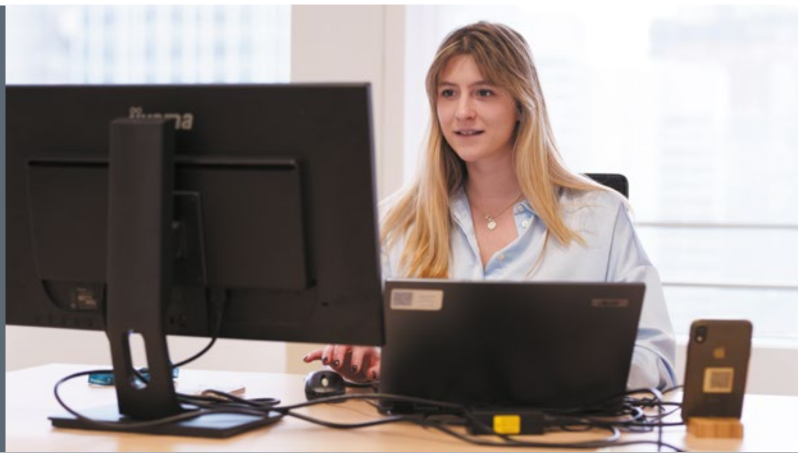
* At April 12, 2024. ** Euronext, Multilateral Trading Facilities (MTF) and OTC platforms.

Line of services and strategy

The Group continuously adapts its Consulting and Digital Services to clients' issues and builds an entrepreneurial project with partner managers and executives in order to build sustainable and profitable growth for all stakeholders.

56%

SHARE OF GUARANTEED-PERFORMANCE SERVICE CONTRACTS IN TOTAL BUSINESS VOLUME



THE DIGITAL TRANSFORMATION "BUILDING BLOCKS" OFFERED BY NEURONES

- Agile/UX-UI/ Scrum/DevOps
- Temple
- Cybersecurity
- Analytics/ Big data
- Mobility/ Digital workplace
- Innovation/ Client experience/ Digital marketing
- Digitalization of internal processes /BPM /ECM /RPA/ Dematerialization
- AI/ Machine learning

At the heart of digital transformation

Digital transformation is still a major challenge and an area of investment for businesses and public organizations alike. The group therefore devotes most of its activities to digital transformation. They are designed for projects that leverage digital technology to:

- design or rethink service lines,
- digitalize the "customer journey" (using mobile apps, UX/UI design, "mobile first" sites, digital marketing, etc.);
- use connected devices and big data to leverage data (analytics, business intelligence),
- improve operational and support processes (BPM, ESB, dematerialization, RPA, etc.),
- integrate the first concrete applications of Artificial Intelligence: chatbots for support processes, smart automatons to better anticipate security or IT operation incidents.

NEURONES also supports IT departments undertaking multi-year programs to migrate part of their applications to public, hybrid or private clouds. To optimize time-to-market, it has also become necessary to radically shake up their organization and work in DevOps mode to release a virtually continuous string of new app versions. This means smaller, tightly-knit teams handling a group of apps from A to Z ("you build it, you run it"), agile and Kanban methods, integrated development environments, software factories, continuous deployment toolchains, infrastructure automation, etc.

Alongside new digital applications, they also need to continue to maintain their historical application heritage (including ERP), with a traditional organization (design, integration, production).

An unwavering strategy

Strategic policy directions

- expand our presence with corporate clients by helping them leverage new digital technologies;
- maintain the entrepreneurial spirit of specialized entities in their field of business;
- increasingly broaden the range of services, in particular those related to digital transformation;
- industrialize everything that can be and adapt the Group's organization and cost structure to the market.

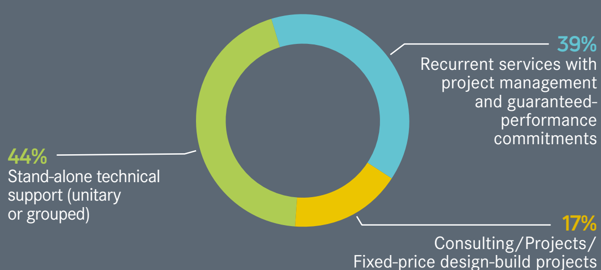
Resources

- increase (in organic growth) faster than the market, occasionally bolstered by acquisitions;
- expand the presence in and outside of France (client needs, availability of consultants, complementary markets, etc.);
- invest independently of the economic climate (€290m of net cash, net of debt);
- continue to apply a decentralized model, close to clients and employees.

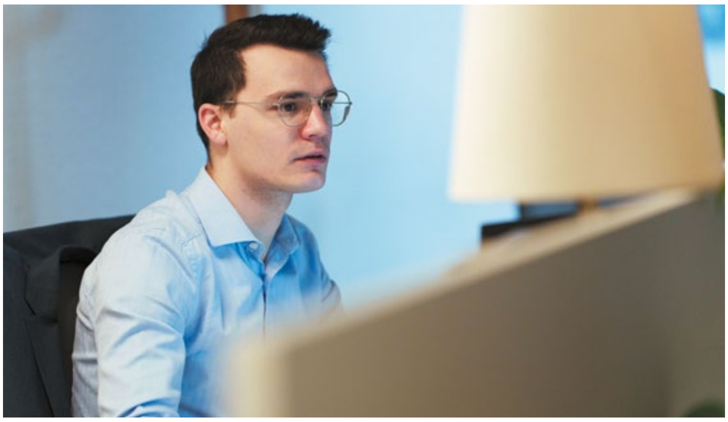
Core principles

- focus on profitability (an indicator of client satisfaction) rather than size alone;
- align managers' and shareholders' capitalist interests;
- open up the capital to managers to build the long term;
- keep the fundamental business processes under quality assurance.

BREAKDOWN OF 2023 REVENUES BY TYPE OF SERVICE



2023 WORKFORCE BREAKDOWN BY GEOGRAPHIC ZONE



CORE BUSINESSES

A comprehensive line of digital services

Digital transformation feeds into all of NEURONES' core businesses, underpinning both Consulting and Digital Services. The specialized line-of-business entities, which combine Consulting services and the Integration of state-of-the-art technological solutions, are divided into three segments:

Infrastructure services

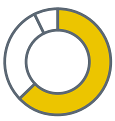
CORE BUSINESSES

Public, private, hybrid clouds, DevOps,

Cybersecurity

User support, digital workplace

IT service management, infrastructure automation



63%

THIS SEGMENT'S SHARE IN TOTAL REVENUES

Applications services

CORE BUSINESSES

Digital, Agile, UX/UI, mobility, data

SAP

BPM, ECM, EDM, RPA, dematerialization, archiving

Market finance

IT training

30%

THIS SEGMENT'S SHARE IN TOTAL REVENUES

Consulting

CORE BUSINESSES

Strategy consulting

Management consulting

Digital marketing consulting

RH transformation consulting

7%

THIS SEGMENT'S SHARE IN TOTAL REVENUES

Client relationship management with selected corporate clients

Supporting the various business sales forces, this team works with certain key accounts:

- organize and coordinate sales actions
- sounding out new business opportunities,
- consolidate completed projects and assignments,
- reporting.

Coordination of major global contracts

Duties include:

- organizing multi-entity proposals with selection of a lead entity,
- coordinating cross-functional contracts during the handover, operation and reversibility phases,
- capitalizing on experiences and regularly updating the Group's standards.

Infrastructure services

This segment, which has a staff of over 5,000 employees, is responsible for ensuring that IT infrastructures have maximum up-time and secure access. It also manages them, makes them profitable and upgrades them.

Core businesses

- Public, private, hybrid clouds, DevOps
- Cybersecurity
- User support, digital workplace
- IT service management, infrastructure automation

Typical projects

- Migration to the public cloud
- Set-up and management of private clouds (SecNumCloud secure) and containers
- Managed infrastructure services
- Implementation of tools and production automation
- Workstation management
- Information systems security (including SOC, CERT, Threat Intelligence)
- Continuous Integration and Continuous Delivery
- Infrastructure automation: Cloud Management Platforms, SDDC

€468.5m

REVENUES GENERATED BY THIS SEGMENT IN 2023, REPRESENTING **63%** OF TOTAL BUSINESS

9.4%

2023 OPERATING MARGIN

5,060

EMPLOYEES IN THE INFRASTRUCTURE SERVICES SEGMENT AT 12/31/2023

THIS SEGMENT'S DIGITAL TRANSFORMATION-RELATED OPERATIONS

Public, private, hybrid and multi-cloud, containers

Infrastructure automation

DevOps

Cybersecurity

Digital workplace

Design/Build

As private, public and hybrid cloud computing gradually enter the mainstream, along with new DevOps-type organizations, infrastructure management is becoming increasingly automated. Migration projects to the public cloud take a long time (more than a year), while cybersecurity issues have never been so crucial. The infrastructures also support legacy applications that have accumulated over time. With open information systems and multiple terminals, user assistance, which is still vital, is also undergoing major innovations (RPA, "App" for response technicians, predictive analysis, self-help, chatbots, etc.). The Group carries out major transformation projects, as well as one-off responses, in multiple fields.

Managed services

The Group provides recurring services for infrastructures located in public and private clouds, as well as for applications located in containers. It also manages groups of on-site servers and provides for installed bases (of all sizes) of workstations and other terminals (user and local interventions).

Managed services (formerly partially known as "Outsourcing") are a mode of response characterized by a multi-year contract (3 to 5 years), under which NEURONES provides project management and guaranteed service levels. For each contract, the service delivery manager ensures ongoing compliance and manages the improvement plan based on a benchmark and a catalog of standard operations.

In this line of business, it is crucial to continuously capitalize on knowledge and best practices. The Group has set up standard processes for all of its contracts, applying tried-and-tested ITIL practices. The drive to industrialize these services is reflected in a growing proportion of operations performed through service centers.

IN 2023...

Growth in various forms of cloud computing (+ 11%).

Numerous opportunities in SecNumCloud.

Very good year in Cybersecurity (+22%)
and a good year in IT Service Management (+12%).

User support: +11% in 2023.
POC and client presentations on "Generative AI applied to the employee experience".

OUTLOOK...

The ever-increasing importance of cybersecurity.

Expected growth in the secure, sovereign cloud
(PaaS services under development).

Augmented Digital Workplace: AI applications
for employees.

Interview with

Pierre-Louis, *Digital transformation manager & IA (User support)*

Generative AI to enhance the user experience

Generative Artificial Intelligence is set to play a pivotal role, and its use will bring about major transformations. It has many applications and benefits, but there are a few points to bear in mind when using it.

How does generative AI differ from pre-existing Artificial Intelligence technologies?

Generative AI is a category of Artificial Intelligence capable of generating new content, such as text, images or sound, from a "knowledge base". Its principle is based on the use of automatic learning models (Machine Learning) which train themselves almost autonomously, using large sets of existing data. Once this information has been memorized, these models can use what they have learned to create personalized content based on the questions asked (the "prompt") and the user's profile, and even provide recommendations or answers tailored to the user's specific needs. It is also helping to create "virtual co-pilots", real personal digital assistants who, boosted by AI, can become indispensable allies for everyone, and all the more so for support teams.

How do these co-pilots help optimize the quality of a support service?

Available 24/7, they offer a new channel for immediate access to support. Depending on the urgency of the situation and the user's needs, they can decide whether to connect directly with a support representative (even if many users still prefer to interact with a human), or to use a chatbot. All it takes is a simple interaction with the tool to forward the request to the relevant department or resolve the problem. No matter how it is formulated, the question asked is understood by the tool and elicits relevant, personalized responses. The customer's experience is thus optimized.

What are the benefits for support operators?

Real productivity gains, as basic, repetitive tasks are simplified or even fully automated thanks to AI. Support representatives are also assisted by an AI tool integrated into their contact center solution, which guides them through the resolution process. Relieved of low value-added tasks, they can focus on more complex requests or devote more time to listening to customers. Despite the growth of these technologies, over 60% of service desk calls are still made by telephone. The user's sense of the attention paid to them contributes greatly to their level of satisfaction.

> NEURONES' role is to help companies find and implement new, unique and tailor-made use cases, adapted to the requirements and specificities of their businesses.

What is the added value of NEURONES' approach in this area?

NEURONES' employee experience outsourcing and service desk activities enable us to be as close as possible to digital users. On average, they call our support service once a month, which puts NEURONES in direct contact with almost 100% of them. They provide real-time information on what is working and what is not, in processes, infrastructures or applications. This makes it possible to aggregate a large volume of data on the employee's digital experience and on the nature of the customer's information system. This mass of data is particularly useful for developing and proposing relevant and reliable solutions for improvement.

What are the key success factors and points of vigilance for organizations adopting generative AI?

First and foremost, it is vital for users to give precise instructions, hence the importance of using the "prompt", the phrase that details their expectations.

The key is the quality of the information used to train the models, to ensure relevant and reliable results. Poor-quality data can lead to "hallucinations", a phenomenon that generates false information, irrelevant answers or unrealistic responses. The generative AI system needs to be fed with both external data (from the Internet, etc.) and internal company data (knowledge management databases, etc.). For the latter, a great deal of work needs to be carried out on an ongoing basis, to ensure that they are complete, up-to-date and free of redundancy.

Finally, the issue of data sovereignty and regulatory compliance, particularly with regard to privacy protection and the security of sensitive information, also needs to be considered carefully.

These are just some of the reasons why companies are now designing their own Secure GPT models for internal use only.

What other uses are there?

Process automation, content creation and editing, translation, brainstorming assistance, in-depth information retrieval... the functionalities of generative AI open up a wide range of possibilities. NEURONES' role is to help companies find and implement new, unique and tailor-made use cases, adapted to the requirements and specificities of their businesses. For example, to facilitate the onboarding of new employees, the group is developing virtual co-pilots to help them familiarize themselves with business jargon, access company resources more easily, or follow a personalized training path tailored to their needs. Generative AI is also useful for modernizing obsolete applications, translating them into more recent programming languages that are easier for IT Departments to maintain. These are all areas of development that the NEURONES teams are already preparing, to benefit clients and their future success.

Applications services

This segment of almost 1,400 employees represents more than twenty years of experience in application projects, serving clients who are engaged in successive improvements to their information systems and in their digital transformation.

Core businesses

- Digital, Agile, UX/UI, mobility, data
- SAP
- BPM, RPA, dematerialization, archiving
- Market finance
- IT training

Typical projects

- Digital projects: design and implementation
- Data (Kafka, Flink, NiFi, etc.)
- Provision of dedicated teams working in Agile and DevOps mode
- SAP: integration and deployment of new modules and applications (including Fiori)
- Big data projects in Finance
- Communication and training plans to support the deployment of major software systems (ERP, etc.)

€219.5m

REVENUES GENERATED BY THIS SEGMENT IN 2023, REPRESENTING **30%** OF TOTAL BUSINESS

11.4%

2023 OPERATING MARGIN

1,380

EMPLOYEES IN THE APPLICATIONS SERVICES SEGMENT AT 12/31/2023

THIS SEGMENT'S DIGITAL TRANSFORMATION-RELATED OPERATIONS

- Complex applications with BPM, Enterprise Service Bus (ESB) and Robotic Process Automation (RPA)
- Design and roll-out of big data architectures (Hadoop, Hbase)
- "Mobile first" websites and mobile development
- Agile methodologies (Scrum, Kanban, etc.)
- Implementation of DevOps chains (IDE, software forges, deployment orchestrators)

Design/Build

NEURONES is active in both software package integration (ERP, CRM, ECM/BPM, EDM) and custom application development (including: mobile applications, Web projects etc.).

Several teams work daily in DevOps mode. Emphasis is placed on the initial phases of functional analysis and the methodology of project development (standard documentation, software engineering, standards, etc.).

SAP TMA centers, BPM/EDM applications and web developments use DevOps components. Some of the teams are assigned to combined infrastructure and application maintenance contracts.

Training includes the "user support" component, in particular during ERP deployments.

Managed services

This service line includes support, Third-Party Application Management (TPAM) and Third-Party Operations Maintenance (TPOM). The fifty or so contracts cover batches of several applications, interfaces or even entire application asset bases.

IN 2023...

Growth driven by **Digital Projects** (+32%) and **Data.**

Moderate growth expected in **SAP** (+ 7% after + 17% the previous year) and in **BPM/EDM** (+ 7% vs + 21%).

Sustained growth in **Training** (+12%) and decline in **Market Finance** (-8%).

OUTLOOK...

Continued **strong development of digital,** in design as well as in implementation, testing and deployment.

Sustained demand for applications handling **real-time data flows (Data).**

SAP **momentum,** thanks to gradual migrations to S/4Hana.

Interview with...

Mouad, *Innovation and data manager (Business processes)*

Data: a decisive turning point for organizations

Whether businesses are looking to step up innovation, optimize customer experience and internal processes, or cut costs, the intelligent use of data is becoming an absolute must if they want to remain competitive.

How pervasive is data in our daily lives?

In recent years, there has been a dramatic increase in the use of massive data. Without necessarily being aware of it, everyone is immersed in an ocean of data that influences every aspect of our daily lives: from online shopping to VTC journeys, to monitoring our energy consumption. This digital revolution, dubbed the fourth industrial revolution, has dramatically transformed the way companies now interact with their customers and operate in their respective sectors.

What are the main business sectors that rely on massive data analysis?

Banks, insurance companies and the finance sector top the list of companies exploiting massive data, for a multitude of use cases, from fighting fraud to improving customer experience. The technology and media sectors, meanwhile, use data to personalize recommendations to users. In the luxury goods sector, data is used to generate ultra-personalized recommendations for "VIP" experiences. By cross-referencing factual elements (customer history, worldwide stock levels, geolocation, weather, etc.), the big companies can offer exclusive services to their most loyal customers.

Recently, we have also seen a significant increase in the use of data in sectors that have traditionally been less digitized. This is the case in medicine, where it is used to refine diagnoses or propose personalized medical treatments, but also in agriculture, where it helps optimize yields and manage resources more sustainably.

How mature are companies in this area?

The strategic importance of data in staying competitive in the marketplace is increasingly recognized. Collecting, analyzing and exploiting data provides valuable insights, particularly for decision-making. We are therefore witnessing the beginnings of a cultural transformation at all levels, with a more agile, data-driven approach. However, this transition requires overcoming a number of obstacles, not least resistance to change.

What are the levers to achieve this?

Firstly, at the organizational level, it is crucial to "evangelize", in other words to make employees aware of these new data-centric operational modes. Secondly, in terms of technology, it is important to invest in robust infrastructures that comply with data security and confidentiality regulations. Given the current shortage of talent, it is also essential to train and recruit qualified professionals in this field.

> The strategic importance of data in staying competitive in the marketplace is increasingly recognized.

Finally, on an ethical level, organizations need to ensure that their data management practices comply with standards of transparency, consent and privacy.

What added value does the NEURONES approach offer?

It stands out for its solid expertise in data engineering and its ability to integrate end-to-end data solutions. NEURONES teams can take charge of inter-application exchanges, business processes and all aspects of data collection, processing and delivery. We support our customers at every stage of their data projects, from design and implementation to integration and ongoing management.

Drawing on its experience and partnerships with market-leading solution providers, NEURONES is also in a position to offer customized, effective solutions that meet the specific needs of organizations and businesses, as well as to put in place methods, operational modes and processes for adopting these technologies, which will become real performance gas pedals for its customers.

What are the future trends in this field?

An evolution towards an even more dynamic use of AI and "machine learning" is currently anticipated, with increasingly sophisticated applications in all business

sectors, including banking and insurance, mass retailing, healthcare and tourism. At the same time, the question of ethics and the growing awareness of privacy issues will greatly influence data management practices, with an emphasis both on transparency, consent on the collection and protection of personal data. As AI develops around sensitive subjects, particularly in the medical field, data management ethics will become essential. As data professionals, NEURONES' mission is to help companies meet these challenges and seize all the opportunities offered by this ongoing digital revolution.

Consulting

Managed by consultants with previous experience in major international firms, this business segment, with a staff of over 300 consultants provides consulting services in strategy, management, digital marketing, digital transformation and HR.

Core businesses

- Strategy consulting
- Management consulting
- Digital marketing consulting
- RH transformation consulting

Typical projects

- Assessment of strategic options, proposal of scenarios
- Guidance and support for the provision of digital technologies for core businesses
- Support for governance of digital transformation programs, coordination
- Leadership and operational management for projects
- Impact studies on regulatory and technology changes
- Definition of strategies for pooling IT systems.

€53.2m

REVENUES GENERATED BY THIS SEGMENT IN 2023,REPRESENTING **7%** OF TOTAL BUSINESS

12.2%

2023 OPERATING MARGIN

310

EMPLOYEES IN THE CONSULTING SEGMENT AT 12/31/2023

THIS SEGMENT'S DIGITAL TRANSFORMATION-RELATED OPERATIONS

Design and facilitation of innovation labs

Data science and data visualization

Management of Data Management Platforms' marketing data

Modeling of multi-channel client journeys

Connected sales outlets

NEURONES supports complex projects for groups or organizations currently engaged in transformation, in order to help them incorporate new regulations and digital technologies, and generally become more efficient and effective.

The Group makes a point of building knowledge from the methods and expertise developed through a large number than assignments supporting business strategy and decision-making. Over the years, the business segment has developed expertise in the following areas:

- Definition of transformation road maps,
- Cross-functional communication and consensus-building between teams,
- Strategic alignment,
- Assessment of resources and scoping of activities,
- Definition of new leadership models,
- Coaching of management boards,
- Impact analysis and change management,
- Digital marketing.

Digital transformation consulting concerns all sectors, in depth, and has become a specialty in its own right, along with digital marketing.

HR transformation consulting deals with a variety of subjects: support for social dialogue, continuity plans, expertise channels, shared service centers, etc.

Consulting services are provided to the operational or functional divisions of corporate clients. Projects sometimes include a component that requires expertise in information systems.

IN 2023...

Merger with a **strategy consulting** firm.

Development (+17.2%), driven by **transformation programs in energy** and services related to **sustainable and responsible growth.**

Slowdown in the **finance sector** in the second half of 2023, while the **energy sector** remains buoyant.

OUTLOOK...

Continue to **diversify** accounts and sectors, through organic and external growth.

Step up the **"responsible consulting"** shift (energy transition and CSR, ESG in banks, sustainable real estate, responsible digital technology, etc.).

Strengthen **partners' ecosystems.**

Interview with...

Jean-Noël, *Co-founder and CEO (Strategy consulting)*

Strategy consulting: corporate uniqueness as the key to success

In an uncertain environment where change is the norm, building a sustainable business strategy is a complex task. To help its customers achieve this, NEURONES offers support based on two key concepts: uniqueness and resilience.

What are the main strategic challenges facing organizations today?

Like the complex, uncertain world in which they operate, companies are facing transformations that are accelerating and gaining in intensity. The advent of generative AI represents a major technological turning point, which will profoundly change the way we work. Societal and environmental issues also pose considerable challenges. The insurance sector, for example, is currently going through a phase of intense scrutiny: the consequences of the climate crisis are accompanied by an increase in claims, calling into question the sustainability of its business model. To navigate in this unstable and unpredictable context, everyone is going to have to reposition themselves, question their business model, agree to certain renunciations and, for some, make radical strategic choices.

How, in these conditions, can we build powerful strategies?

In this volatile and ambiguous landscape, the key to success will be resilience. The quest for outperformance and short-term optimization will no longer be sustainable approaches. Companies must now be seen as living ecosystems, and as such, resilient by nature. If companies are to achieve sustainable growth, they must be willing to take a long-term view. This means learning to combine economic performance with social and environmental impact.

What are your guiding principles?

We are a "Société à mission" (purpose-driven Company), whose approach is built around four commitments, translated by the following words: awareness, action, commitment and impact. The first pillar of support is based on "awareness" of the company's uniqueness. To stay on course and ensure its continuity, an organization must be able to rely on stable reference points. Its purpose, its values, the intention behind its approach—everything that makes it unique—are decisive differentiating factors. Our role is to help managers identify these stable reference points, so that they can consciously choose the areas in which they will invest first, and question those that are out of alignment with their core purpose. The aim is to help them exploit the full potential of their DNA by turning their purpose into a strategic compass.

> In this volatile, uncertain, complex and ambiguous landscape, the key to success will be resilience.

What is the next step?

Action, the second pillar of this type of project. This involves supporting executives and managers in making strategic decisions together, sometimes difficult decisions that may involve over-investment or renunciation. This calls for debate and collective intelligence within the teams to build the right scenario together. This logic of strategic alignment enables us to work together to design a responsible transformation plan, which will be an inspiration to our employees. Finally, our ambition is to bring out strategies that will have a virtuous impact on the organizations' stakeholders, in line with their CSR strategy. Corporate Social Responsibility will indeed be a strategic issue over the next ten years.

In what way?

Firstly, in a difficult recruitment context, this approach is starting to become an important criterion of choice for young graduates. Indeed, they are reluctant to work for employers who do not take these issues into consideration. From a financial point of view, CSR is also a powerful strategic lever, as more and more investment funds are looking to "green" their portfolios. Moreover, from January 1, 2024, the tightening of environmental responsibility standards - the CSRD directive applies to all companies with more than 500 employees - will require a double materiality analysis in sustainability reporting. This means that both the sustainability issues likely to impact financial performance and the negative and positive impacts of activities on the economic, social and natural environment will have to be taken into account. This will accelerate the pace of change. And those who turn these new constraints into an opportunity will have a clear advantage over those who simply comply.

You also mentioned the upheavals caused by generative AI.

Indeed, the acceleration of this technology raises many questions, particularly in terms of internal processes, training, security and ethics...

There are still many uncertainties, but it is vital to address the issue now. The first step is to help organizations understand what generative AI is, to assess what it implies in terms of human support, to identify the potential and the risks, and also to demystify it, while maintaining a fundamental approach based on the creation of added value combining humans and technology. In conclusion, we can say that the way in which companies organize the governance and sharing of data will be one of the greatest strategic challenges of the next few years.

Industrialized service centers

Since 1995, recurring infrastructure-related service contracts have been based on shared service centers (hosting, servers and applications, workstation management and support). Third-party Application Maintenance is performed from dedicated centers.

19
SERVICE CENTERS DEDICATED TO INFRASTRUCTURE SERVICES

450
MANAGED SERVICE CONTRACTS FOR INFRASTRUCTURE AND CYBERSECURITY

7
SERVICE CENTERS DEDICATED TO APPLICATIONS

MANAGED INFRASTRUCTURE SERVICES

Top 30 contracts
€3m per year on average

170 contracts
€0.5m per year on average

250 contracts
€0.1m per year on average

2,500
employees working on contracts

30,000
third-party or proprietary servers operated

10 million
service desk and application support cases handled

300,000
workstations managed

11

USER SUPPORT CENTERS

- 1,800 professionals
- 24/7 availability
- Multilingual
- Nanterre, Angers, Lille, Lyon, Nantes, Brussels, Bucharest, Frankfurt, Milan, Timisoara and Tunis

7

SERVICE CENTERS FOR SERVERS AND APPLICATIONS

- 600 specialists
- Supervision, management
- Scheduling, operations plan
- Release management
- Nanterre, Courbevoie, Lyon, Tours, Bangalore, Singapore and Tunis

1

POOLED DIGITAL WORKPLACE CENTER

- Mastering, packaging
- Remote software distribution
- Patching, antivirus
- Nanterre

11

HOSTING CENTERS

- 15,000 active virtual machines (VM)
- Independent Internet service provider
- All telecom operators
- Telecom infrastructure as failover
- 6 highly-certified (Tier 3+) partner hosting companies (multi-centers)

7

THIRD-PARTY APPLICATION MAINTENANCE CENTERS

- All ERP and applications
- Knowledge base, test tools, versioning
- Nanterre, Amiens, Angers, Bordeaux, Levallois, Nantes and Orléans

Labels by ANSSI:
SecNumCloud
Passi (Lpm) and Pris

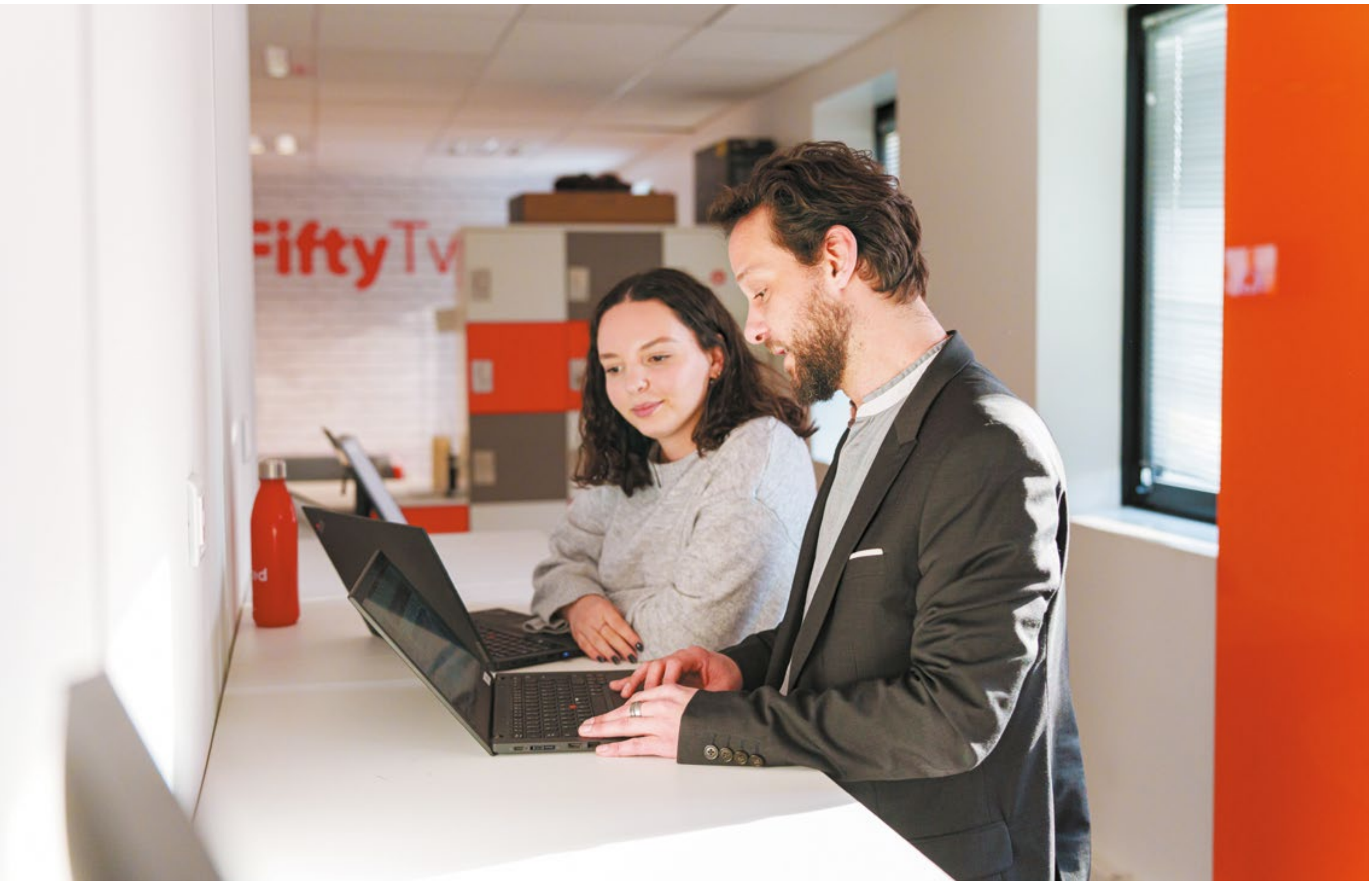
ISO 27001 - Managed services
from infrastructure
service centers

CERT certification of
the Security Operations Center
Founding member

Certification of Health
Data Hosting infrastructure
services

References and achievements

Around 1,000 companies and public bodies of all sizes trust NEURONES. Some have been loyal clients for many years.



80%

OF CAC 40 COMPANIES PLACE THEIR TRUST IN NEURONES

8.8%

SHARE OF THE NO. 1 CLIENT IN REVENUES

TAKEN FROM OUR LIST OF REFERENCES

BANKING - INSURANCE

AG2R LA MONDIALE
AVIVA
AXA
BNP PARIBAS
BPCE
CRÉDIT AGRICOLE
DIOT-SACI
EURONEXT
GENERALI
GROUPAMA
INTER MUTUELLES ASSISTANCE
MACIF
MALAKOFF HUMANIS
SOCIÉTÉ GÉNÉRALE
TEXA SERVICES

SERVICES - TRANSPORTATION CONSUMER GOODS

ACCOR
ADEO (LEROY MERLIN...)
AIR FRANCE
AUCHAN
BEL
CHANEL
EDENRED
HERMES
KERING
KPMG
L'ORÉAL
LVMH
MCDONALD'S
RICHEMONT
TRANSDEV

ENERGY - UTILITIES - HEALTHCARE

ALPIQ
DELPHARM
EDF
ELSAN
ENGIE
EQUANS
INSTITUT PASTEUR
ORANO
RESAH
REXEL
SERVIER
STAGO
SUEZ
TOTALENERGIES
VEOLIA

TECHNOLOGY - MEDIA - TELECOMS

ALCATEL
ALTICE
BOLLORÉ
BOUYGUES TELECOM
CLEAR CHANNEL
DASSAULT SYSTÈMES
LEFEBVRE SARRUT
EUTELSAT
GÉNÉRALE DE TÉLÉPHONE
GROUPE M6
ODIGO
ORANGE
SAMSUNG
STÉ SUISSE DE RADIODIFFUSION
TV5 MONDE

INDUSTRY - CONSTRUCTION & CIVIL ENGINEERING

ALTAREA
AVRIL
BOUYGUES
BRENNTAG
CHANTIERS DE L'ATLANTIQUE
DAHER
EGIS
EIFFAGE
ERAMET
IMERYS
INVIVO
NEXITY
SAINT GOBAIN
THALES
VINCI

PUBLIC SECTOR

AGENCE FRANCAISE DE DÉVELOPPEMENT
APAVE
ANDRA
ASSEMBLÉE NATIONALE
AUTORITÉ DES MARCHÉS FINANCIERS
BANQUE DE FRANCE
CONSEIL DÉPART. DES HAUTS-DE-SEINE
ÉTABLISSEMENT FRANÇAIS DU SANG
LA FRANÇAISE DES JEUX
LA POSTE
OCDE
RADIO FRANCE
RATP
RÉGION ILE-DE-FRANCE
SNCF

2023 REVENUE BREAKDOWN BY SECTOR

1,000

CLIENTS CONTRIBUTE EACH YEAR TO REVENUE GROWTH

Selected achievements in 2023

Infrastructure

For a French security institution.

Objective: to provide senior management with a real-time assessment of the digital threat ahead of a major international sporting event. Achievements: implementation, within a tight schedule, of one of the largest cyber platforms ever deployed by the group, bringing together Cyber Threat Intelligence, Consulting and Technical Management teams.

Applications

For a company in the oil industry.
As part of the evolution of its ERP, we carried out a “2 in 1” operation to convert to SAP S/4Hana and integrate a new reporting tool. A 900 man-days mission, carried out in a sensitive context of the company’s business and its reduced structure (notably the absence of a dedicated IT department).

Consulting

For a major player in the early childhood sector.
Objective: to obtain the status of a “Société à mission” (purpose-driven Company) supported by its CSR strategy. The project involved helping the customer define its missions and commitments, raising management awareness in order to unite teams around this transformation, formalizing official documents and assisting those responsible for amending the company’s articles of association.

Applications

For a manufacturer of home automation solutions.
Objective: to complete the existing version of a home protection application: addition of new connected objects (alarms, various sensors, cameras with motion detection, doorbells, etc.) and development on Android and iOS of functionalities dedicated to their simplified control.

Infrastructure

For an Ile-de-France transport company.
A TMA center was set up, in line with the creation of a user services “kiosk” and the improvement of the user experience. This ensures the continuity of the solution in place (ITIL processes, assets, knowledge, chatBot and reporting), as well as its support and enhancement (evolutionary maintenance).

Consulting

For a leading power company.

As part of its Research and Development projects on the impact of power grids on flora: creation and implementation of a simplified indicator (developed in comparison with full botanical inventories), enabling us to report on the state of plant biodiversity under high-voltage lines crossing forest areas.

Consulting

For a banking group.
With a view to producing regulatory indicators within the framework of sustainable development and responsible investment: support in improving the collection (and quality) of extra-financial data required for the production of ESG benchmarks, as well as in enhancing the skills of employees involved in these issues.

Applications

For a major mutual insurance company.

Objective: to set up a Cloud-based electronic document management system within a tight timeframe, prior to the forthcoming switchover to a new ERP system. Achievement: creation, in four months, of an infrastructure compatible with customer constraints (Health Data Hosting, ISO 27001, etc.) and transfer of 25 million documents (i.e., 7 Terabytes of data).

Infrastructure

For a healthcare organization.
With the aim of unifying its nationwide information and telecoms system for emergency call reception and medical regulation: support in the design of the target architecture, rationalization and modernization of the current infrastructure, hosting on SecNumCloud redundant platforms and 24-hour operational maintenance.

Applications

For a major social-housing operator.

Upgrading the client's SAP environment (from ECC6 to S/4Hana), including deployment of the "SAC Planning" budgeting solution, migration to "BW Embedded S/4Hana", upgrading the infrastructure to a secure private Cloud environment and support for change management.

Consulting

For a gas distribution company.

Provision of services to meet regulatory requirements concerning the publication of information relating to Corporate Social Responsibility (CSR): analysis of the impact of the company's activity on nature, the environment and employment. Then, drafting of the extra-financial report and formalization of the company's CSR strategy.

Infrastructure

For a French banking group.

Within the context of the digitization of its global Governance, Risk and Control (GRC) processes, based on the ServiceNow solution: development and roll-out of modules (IRM, Secops, BCM and VR) to 150 entities, help in upgrading the skills of the GRC IT team concerning support operations, and assistance in the onboarding process for junior managers.

Consulting

For a leading economic organization.

Objective: to identify ways of accelerating the upscaling of the circular economy, and possible obstacles to this process. Resources implemented: a study carried out by a think-tank to analyze ways to recycle industrial inputs (sand, copper, lithium, cobalt, water) in order to avoid bottlenecks in supply, and improve resilience and eco-responsibility.

Applications

For a French metropolitan council.

As part of the supply and management of Apple mobile equipment for the city's schools: taking over the entire operation (previously managed by a major telephony operator), including migration to the dedicated Master Data Management "Jamf School" solution, transfer of knowledge and best practices concerning its use and training of local technical teams.

Infrastructure

For a French shipping company.

Signature of a global IT outsourcing contract (initial term: three years) including service desk, local support, equipment management and complete management of the IT workplace environment. The scope (France and UK) includes the management of masters and packages, the remote distribution of applications, and the management and endpoint security (user terminals).

Infrastructure

For a major automobile equipment manufacturer.

In order to anticipate threats (data leaks, malicious acts targeting VIP employees) and detect them at an early stage: implementation of continuous monitoring using the Cyber Threat Intelligence service, on-site support with a consultant specifically assigned to understanding the risks and providing advice on the most appropriate solutions to be put in place; 24/7 intervention service in the event of an incident.

Applications

For a mutual welfare insurance group.

Program to transform the information system for Customer Relations, Savings and Intermediary Management: creation of a dedicated team of experts (Project Managers, Business Analysts, Developers, etc.) responsible for the running operations as well as the new EDM projects, dematerialization and business applications using SharePoint.

Consulting

For a French bank.

Within the framework of the bank's "responsible digital initiatives": support for managing an internal CSR challenge aimed at encouraging employees to clean up their digital content (business telephone, email inbox and Cloud spaces), including the project scoping, preparation of the associated communication and operational management to ensure everything ran smoothly.

RESPONSIBLE AND SUSTAINABLE DEVELOPMENT

A socially responsible Group

The employer's social responsibility is a priority for NEURONES' managers and executives. It is also in the interests of both the company and its clients.

In the long term, the financial performance objective and the desire to factor in Environmental, Social and Governance criteria converge.

Corporate Social and Environmental Responsibility (CSER)

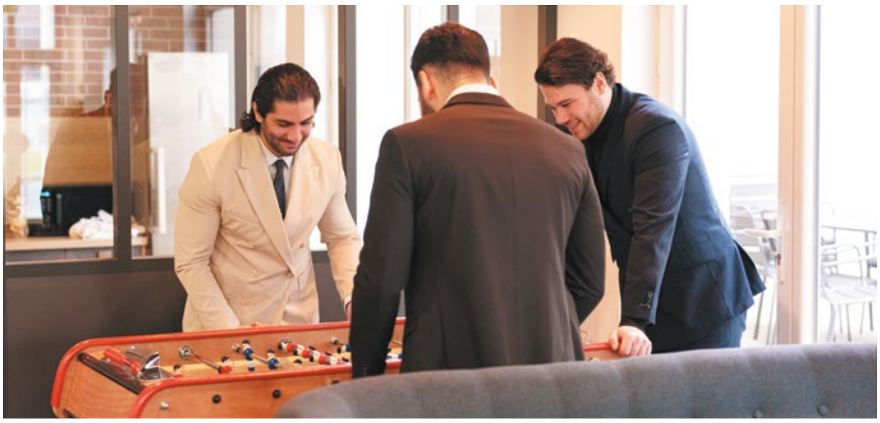
For the eleventh consecutive year, the Non-Financial Performance chapter – NFPS (page 60 to 73 of this document), followed by the auditor's opinion:

- addresses environmental, social and societal aspects, since NEURONES is convinced that success is achieved by including all stakeholders in the eco-system, not just the clients and employees: sub-contractors, other service providers (including fellow companies), training organizations (including engineering and business schools), public authorities, local authorities, civil society and shareholders;
- enables the Group to move forward with:
  - indicators with precise definitions,
  - the verification of processes and data-reporting tools,
  - the establishment of the Group's carbon footprint.

It is a natural part of a proactive drive for continuous improvement.

Governance

NEURONES governance (described on pages 114 to 124) complies with most of the recommendations of the MiddleNext code for medium-sized companies. The compensation of company officers (pages 118 to 121) and other information concerning them are indicated in accordance with the recommendations of this same code.



A committed company

Since its inception in 1985, NEURONES has endeavored to pursue responsible and sustainable development within its environment. This is one of the company's key commitments.

275

NET JOBS CREATED IN 2023
(WITH CONSTANT STRUCTURES)

69

NATIONALITIES REPRESENTED
AMONG THE GROUP'S PAYROLL

One entity certified in 2023

One subsidiary awarded in 2023

NEURONES is a member of the United Nations Global Compact

Ten business units are signatories

Three group companies are signatories

Our number 1 asset: human resources

Right from the outset, the Group established an ambitious and innovative Human Resources policy that fosters diversity: 69 nationalities represented, a variety of academic backgrounds, including young, seasoned and senior professionals, 420 apprentices, interns and professionalization contracts in 2023, of which more than 94% were open-ended contracts.

Numerous job creations:

- net job creation each year (in 2023: +275 with constant structures), in addition to the jobs created at subcontractors,
- company growth and acquisitions are handled without ever using layoff plans,
- an IT retraining program helps young graduates to find a job.

Longstanding capital sharing scheme:

- over 200 business leaders, executives and managers invest in the companies they develop,
- bonus shares granted to the most committed employees,
- new key executives are regularly given the opportunity to acquire stakes in their companies and/or the Group.

Ongoing career management:

- lateral moves encouraged between different business lines and different functions, preference for internal promotion (especially for managerial and executive positions),
- annual performance reviews and interviews every few years are standard practice.

Long-term training policy:

- sustained advanced training actions (technical, retraining programs, management, etc.),
- training plans are easier to carry out because they use the Group's own training centers,
- we encourage employees to obtain qualifying certification (editors, new technologies, etc.).

Motivating working environment:

- a managerial environment that empowers people and lets them build their future,
- permanent adaptation of the premises, of their layout and decoration,
- shareholder structure permitting decentralized decisions to be made in the interest of the employees.

In addition, the Group promotes diversity, gender equality and strives to be disability-friendly. It has also implemented the corruption prevention mechanism provided for in the Sapin II Law.

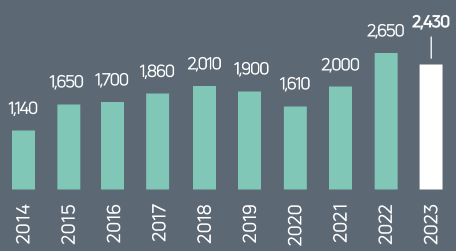
Clients

Service lines are continuously improved in all activities in an effort to constantly adapt solutions to decision-makers' needs.

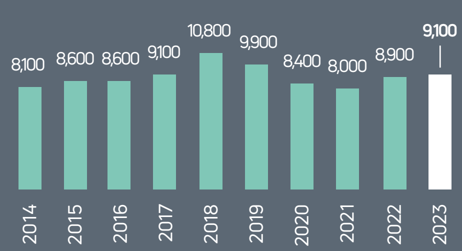
Pooled services on an industrial scale:

- In 2023, €17.9m of industrial investments were channeled primarily into the service centers (extension in France and abroad) and the cloud computing line of services (hardware and software, and reserved areas with third-party hosters).

NEW HIRES
(excluding acquisitions)



TRAINING PLAN
(days x trainees)



One entity certified since 2021

A subsidiary has held "Société à mission" (purpose-driven Company) status since 2021

Three EcoVadis medalists (Silver, Gold and Platinum) by 2023

NEURONES answers the Gaïa survey (ESG) every year

Four Group entities are signatories

Active quality development:

- One subsidiary specialized in the Cloud is SecNumCloud certified,
- One entity is Health Data Hosting (HDH) certified.
- The three companies in the Infrastructures segment with their own managed service centers and regular ISAE 34-02 audits are ISO 27001 certified,
- The three main companies in the Infrastructures business are ISO 9001 certified.

Constant tailoring to needs:

- the creation of specialized companies (start-up, spin-off, etc.) and mergers with fellow companies with complementary areas of expertise are continually enhancing the quality of the services and expanding the scope of expertise.

Subcontractors

- the company includes CSR criteria in the evaluation of its main subcontractors,
- employees of companies employing disabled people in protected and special facilities are integrated into the Group's teams on recurring contracts via temporary business groups (TBG).

Markets and shareholders

Profit reinvestment:

- for a very long time reinvested in full (when the company was not listed), a portion of earnings is now regularly set aside to give the Group the means to achieve its ambitions, whatever the state of the financial markets, the economic climate or credit conditions.

Regular, transparent communications:

- the annual and half-yearly results (audited) are published within ten weeks of the fiscal year end. The (unaudited) results are published every quarter. The Group has also issued a twice-yearly Shareholders' Newsletter since 2000.

Proven resistance to cyclical uncertainties:

- the diversified business portfolio and the recurrent nature of certain core businesses have allowed the company to go through the years of market contraction without too great an impact on profitability and without having to resort to staff cuts.

The environment

Given the nature of its core businesses, NEURONES' environmental footprint is only marginal. However, the Group:

- calculates its carbon footprint,
- ensures that it uses data centers with good energy performance (low PUE),
- has installed low-energy systems (lighting, HVAC, etc.),
- systematically recycles consumables (printer toners, electric batteries, etc.),
- recruits, as far as possible, in labor market areas close to its service centers to limit daily commutes,
- encourages the use of videoconferencing and facilitates teleworking.

69%

OF THE LAST 10 YEARS' PROFITS PLACED IN RESERVE TO FUND FUTURE DEVELOPMENTS

€17.9m

INVESTED IN 2023 IN CLOUD COMPUTING AND SERVICE CENTERS

What our people have to say

Aspirations, passions, career paths and more...

Anaïs,

Technical Assistance Business Segment Manager (Cybersecurity)

With NEURONES since 2019

> The NEURONES entrepreneurial model has given me the freedom to develop a business, with a rare degree of autonomy.

Having a keen interest in gymnastics, and with a view to a career in sports teaching, I chose to study for a degree in STAPS (Sciences et Techniques des Activités Physiques et Sportives). But student jobs in a variety of sectors, notably B2B events, quickly revealed my taste for commercial relations: canvassing as well as creating tailor-made solutions for prestigious customers. After a year's Bachelor's degree in Entrepreneurship in England, the radical shift towards business engineering took me first to a recruitment agency and then to a modest-sized ESN. Among the Digital Services, I discovered cybersecurity, which was increasingly integrated into the sales proposals I made over the course of three years.

It was my interest in this field that led me to join NEURONES' Cybersecurity entity, a benchmark in the sector, in 2019, to create and develop the Technical Assistance Consulting business. I was quickly impressed not only by the company's reputation and expertise, but also by its values, its way of building trust and empowerment. Today, I'm fully in charge of my Business Unit, responsible for its overall management, strategy, business development, commercial relations (consulting, support, etc.), as well as recruiting and managing a rapidly expanding team of consultants.

The NEURONES entrepreneurial model has given me the freedom to develop a business, with a rare degree of autonomy, while benefiting from the support of management and the structure. My aim is to guarantee high-quality service, in line with customer expectations and the Group's reputation for excellence.

Anthony,

Partner and Founder of a freelance platform (organization and management consulting)

With NEURONES since 2006

With a keen interest in science and technology, I completed a science preparatory course at Sophia Antipolis, followed by a course at Arts & Métiers in Aix-en-Provence and a specialized master's at Essec. After my first professional experience as a sales manager in an engineering company, I felt the need to get closer to decision-makers. Management consulting seemed a logical direction to take, and offered many bridges with my skills at the time. So I joined the NEURONES group's Organization and Management Consulting entity, as a Consultant.

For almost 20 years, my career has focused on areas such as the energy and transport sectors, organizational and digital transformation, issues linked to the "Société à mission" (purpose-driven Company) status and professional networking. Our involvement in large-scale programs has enabled us to forge close links with NEURONES group entities and their partners, as well as with a large ecosystem of freelance consultants.

> Our involvement in large-scale programs has enabled us to forge close links with NEURONES group entities.

This role as a network facilitator led me in 2019 to launch an intrapreneurial project: the "Hub", a subsidiary exclusively dedicated to facilitating freelance networks. Today, my responsibilities as a partner in the company and as Chairman of this platform place me at the heart of the challenge of integrating skills for increasingly complex business transformation projects. It's a particularly enriching experience, both professionally and personally.

What our people have to say

Aspirations, passions, career paths and more...

Emilie,

HRBP
(User support)
With NEURONES since 2016

Exchanges with managers, who are human and strongly committed to collective construction, are also particularly rewarding.

After completing a Master 2 in Entrepreneurship, I started out as a Consultant in recruitment agencies in Paris. This was an opportunity to acquire solid skills in "hunting" and selecting candidates. Then I felt the need to consolidate and extend these skills to the more global development of HR within a company. So, 8 years ago, I joined the NEURONES group entity specializing in user support. Initially, my responsibilities involved recruiting for all the company's functions: from varied profiles at head office to specialized customer support teams. This then evolved into supervising a team of recruitment assistants. Five years later, I was offered the more global position of Human Resources Business Partner (HRBP).

This role covers a wide range of tasks: managing and coordinating recruitment needs for customers and various internal departments, conveying the strategic orientations of HR policy, integrating and retaining employees, identifying potential, career support, etc. I really enjoy the operational side of this job, and no two days are the same. Exchanges with managers, who are human and strongly committed to collective construction, are also particularly rewarding. This state of mind can be felt throughout the group. At NEURONES, we want more than just the status quo: continuous improvement is invigorating.

What's most important to me? Supporting colleagues. Helping them develop, take on new responsibilities and achieve their goals. It's a great source of motivation and satisfaction!

Alexandre,

Intelligent Workplace Manager
(Cloud, Managed Services)
With NEURONES since 2010

After starting out in computer graphics for a communications agency, I decided to move into IT, a sector that has always fascinated me. After a fast-track training course, I started at NEURONES as a local technician for a major pharmaceutical group. There were many and varied projects: from migrating domains to getting a media library up and running again, not forgetting the deployment of a specific solution for the deaf and hearing-impaired!

In 2012, I was given the chance to move into systems administration. A series of varied assignments followed: working for a major luxury leather goods manufacturer, then as part of a support team, where I worked as a systems and network engineer for almost five years. This gave me the opportunity to broaden my field of expertise before joining the "Factory", a shared support facility that I helped to develop. Last year, I participated in the creation of a new "Intelligent Workplace" expertise offering, and today I'm in charge of it.

The support and mobility within the NEURONES group make it a great playground, with the opportunity to work for numerous customers in different sectors, including luxury goods, energy, transport, catering and industry. This diversity enables me to acquire a broad and highly enriching technical background. My current goal? To continue developing the Intelligent Workplace expertise portfolio, to continually innovate to become a benchmark in the field, and to build win-win partnerships with customers, in a spirit of innovation and sharing

The support and mobility within the NEURONES group make it a great playground.

Clarisse,

Business Analyst Capture/RPA
(Digitalization & content management)
With NEURONES since 2020

While studying Physiological Engineering, Biotechnology and Computer Science, I did my second year of a Master's degree as a work-study student at a NEURONES group company, specializing in the digitization and management of corporate content and business processes. After graduating, I went on to work as a consultant in the BPM/ECM BU within the same company. My first assignment was as a Business Analyst on the EDM (Electronic Document Management) team for a major insurance group. For two years, my role consisted in being the point of contact for requests from "business lines", assessing their needs and ensuring compliance with customer requirements, while methodically applying internal processes.

Having successfully met this initial challenge, and developed expertise and know-how in project management, I decided to return to my colleagues at head office, and now work for the "Smart Auto" Business Unit. Here, I'm continuing to develop my skills, in particular by training myself in the use of new tools (such as Abbyy and Blue Prism), while contributing to several projects (migration for a departmental council, scoping study for another insurance company...).

> Being part of a group like NEURONES opens up a wide range of opportunities.

Being part of a group like NEURONES opens up a wide range of opportunities. Last month, I joined a new team as a Kofax Business Analyst for the dematerialization of incoming flows for an insurance company. For young graduates like me, it's a great opportunity to start out in these conditions!

Arthur,

Services Sales Manager
(SAP)
With NEURONES since 2014

> Pushing yourself to the limit, a value that is also strongly present at NEURONES.

Over the past ten years, I've gone from business engineer to sales director (including, of course, manager) in the historic SAP entity of the NEURONES Group. I've been lucky enough to achieve this progression in the context of stimulating projects and a constant desire to reinvent ourselves. Innovating, adapting to an ever-changing market and standing out from the crowd to earn the trust of our customers are all challenges I enjoy taking up. These values resonate with those of the Group. Since 2021, I've been a shareholder, enabling me to be even more involved in the company's strategy. In this human-scale entity, there's a strong sense of belonging, and relations with managers and executives are direct and easy. In my opinion, these are real advantages.

The responsibility of working on large-scale projects linked to SAP, the world leader in ERP, is motivating. The transition to the Cloud, the forthcoming migrations to SAP Hana and the growing integration of Artificial Intelligence and environmental issues into these solutions all open up very promising business horizons.

Synergies with the Group's other specialized entities reinforce the opportunities to work for prestigious customers and to carry out large-scale joint projects on their behalf. The fact that each subsidiary enjoys autonomous management, while benefiting from the financial and strategic support of the Group, is also a reassuring and sustainable model. Apart from my professional commitments, I'm a keen windsurfer. Like all sports, windsurfing encourages you to push yourself to the limit, a value that is also strongly present at NEURONES.

2023 UNIVERSAL REGISTRATION DOCUMENT
AND FINANCIAL REPORT

❶ Group Businesses

1.1. GENERAL PRESENTATION

Identity and background

With revenues of €741 million in 2023 and 6,750 employees at the end of the financial year, NEURONES ranks among the top 5 listed groups in the sector (Digital Services Companies and Technology Consulting Companies), in terms of market capitalization:

	(in millions of euros)	Capitalization (12/31/2023)*	2023 worldwide revenues
1	Capgemini	32,580	22,522
2	Alten	4,727	4,069
3	Sopra Steria	4,064	5,805
4	Wavestone **	1,462	532
5	NEURONES	1,062	741
6	Atos	786	10,693
7	Assystem	776	578
8	Aubay	554	534
9	Econocom***	460	2,681
10	Sword	380	280

* including Technology Consulting companies (Alten, Assystem) and excluding SII (mandatory delisting announced on March 12, 2024).
** revenues (12 months) to 03/31/2023.
*** listed in Brussels but generates more than half of its revenues in France.
Sources: company press releases and Euronext.

Created from scratch in 1985, the Group has experienced steady growth (over 10% per year over the last twenty years).

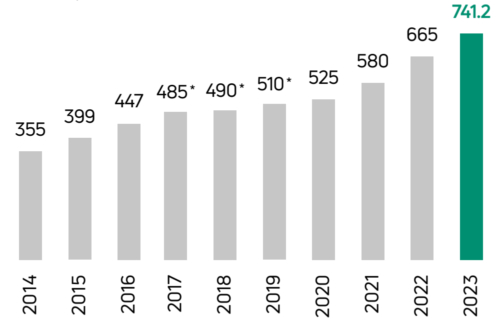
The Group was built by setting up and acquiring specialized subsidiaries, with unique technical know-how and using their own commercial brand. These companies' mission is to rapidly attain a significant size in their field and provide the best level of services at controlled fixed costs. A cross-functional team coordinates the different entities working on contracts involving several complementary businesses and manages the overall relationship with certain "key accounts".

NEURONES has thus based its business on proven, sound foundations to further its internal development and grow through acquisitions of companies with the same or complementary core businesses.

Since the IPO (in May 2000), the Group has made around fifteen significant acquisitions, representing about one third of the business to date.

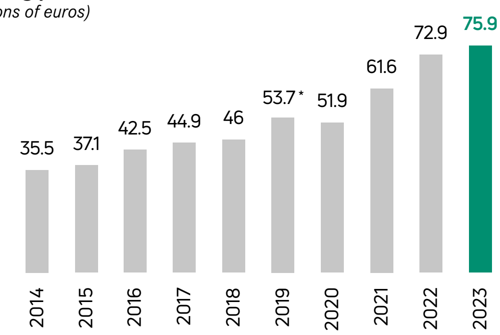
Key figures

Consolidated revenues
(in millions of euros)



* Changes in the scope of consolidation (€23 million in revenues sold).
The adoption of IFR15 reduces annual revenues by approximately €10 million from 2018.

Operating profit
(in millions of euros)



* Including capital gain on disposal of €4.6 million.

Trends in key figures *(in millions of euros)*	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	355.2	399.4	446.8	485	490.1	510.1	524.5	579.9	665.4	741.2
Operating profit	35.5	37.1	42.5	44.9	46	53.7	51.9	61.6	72.9	75.9
Operating margin	10%	9.3%	9.5%	9.3%	9.4%	10.5%	9.9%	10.6%	11%	10.2%
Net profit	23.6	24.5	29	31.6	29.6	35.2	35	42.9	51.8	58.6
Net margin	6.6%	6.1%	6.5%	6.5%	6%	6.9%	6.7%	7.4%	7.8%	7.9%
Net profit – Group share	20.5	21.3	25.2	27.3	26	30.8	30.9	37.7	44.3	49.4
Staff at year-end	4,082	4,580	5,044	5,028	5,160	5,372	5,589	5,869	6,406	6,749

Notes:
- Since 2018, IFRS15 has been applied (only the gross profit has been recognized in revenues for purchases/resales of hardware and market software). The effect of applying this standard was a drop of about €10 million in revenues per year, with no impact on operating profit.
- Since 2019, IFRS16 (restating rental contracts as debt) has been applied. The expense recorded in the financial statements (amortization of rights of use + IFRS16 financial expense) is regularly higher than the rents paid. A liability has therefore gradually built up, amounting to €2.9 million at the end of 2023. This liability represents an unrealized surplus.
- France's sole corporate tax rate steadily declined from 2016 (33.33%) to 2022 (25%). The corporate tax rate was also at 25% in 2023 and should remain stable at this level for several years. Recorded under Tax on Earnings, the CVAE (Company Value Added Contribution) itself was halved in 2021, then halved again in 2023, and the rate is set to fall by a quarter each year from 2024 to 2027. As a result, the CVAE will no longer exist from 2027.

1.2. BUSINESS OVERVIEW

NEURONES, active player in digital transformation

With the arrival of the latest technologies and their competitive use by new “disruptive” players, investment in digital technology and services has become a priority for virtually all economic players.

This "digitization" trend has accelerated since remote work (in various forms) has become more widespread.

Digital transformation includes projects that use digital technology to design or rethink their offers, to digitalize the “client journey” (UX/UI, mobile applications, platforms, digital marketing), to use connected objects and big data to enhance the value of data (analytics, business intelligence, etc.) and, finally, to improve operational and support processes (BPM, ESB, RPA, dematerialization, etc.). See the glossary at the end of this document.

It also provides a significant benefit to IT departments, which can now put new applications into production more quickly and thus optimize the “time to market”. Today one can also use close iterations to upgrade the successive versions of the same application, which quickly leads to:
- agile methods and the use of new development tools,
- the implementation of DevOps “chains” so new versions can be released almost continuously,
- the widespread adoption of various forms of cloud computing and the automation of IT infrastructures.

In recent years, Artificial Intelligence (AI) has given rise to new hopes and perspectives in Digital Services, well beyond the current “chatbots” for support processes or smart automatons predicting security incidents or IT operations.

Digital transformation is permeating most of the group's business lines, some of which have been benefiting from this phenomenon for numerous years. For example, typical digital applications include process management applications, incoming or outgoing paperless processes, Electronic Document Management (EDM), etc. Cybersecurity and private cloud have also been around for a long time and the far-reaching digital transformation trend is giving them a significant boost. Other types of business are more recent (big data architectures, DevOps chains, connected devices, AI, chatbots, blockchain, etc.).

Concurrent with the new applications, major organizations have to keep managing substantial legacy applications developed over time with different technologies. IT departments are thus forced to make a traditional organization (studies, integration, production) coexist with an operation adapted to digital, as described above.

The Group businesses, which eventually will be considered as 100% related to digital transformation, are detailed below, business by business.

Business segments

With the regular progression of Agile/DevOps and the Cloud, the frontier between application services and infrastructure management will be less pronounced in the future. In the medium and long-term, infrastructures will become increasingly automated (“infra as code”). Thus some people argue that eventually 30% of the people managing infrastructures will be programmers (or encoders). Nevertheless, the breakdown of NEURONES' revenues into three segments (Infrastructures/Applications/Consulting) remains the most relevant and the most used by our counterparts. Above all, it has the merit of ensuring comparability with prior reporting periods:

* 2023-related revenues.

The relative shares of the application services and consulting divisions have evolved as follows:

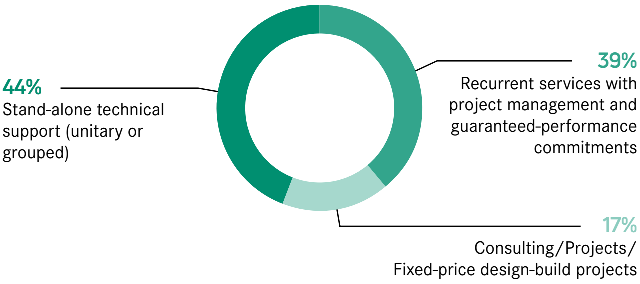
Breakdown by business segment *(in millions of euros)*	2019		2020		2021		2022		2023	
	Revenues	%	Revenues	%	Revenues	%	Revenues	%	Revenues	%
Infrastructure services	350.3	69%	358.5	69%	380.6	66%	419.5	63%	468.5	63%
Applications services	132.1	26%	137.7	26%	167.2	29%	200.5	30%	219.5	30%
Consulting	27.7	5%	28.3	5%	32.1	5%	45.4	7%	53.2	7%
TOTAL REVENUES	510.1	100%	524.5	100%	579.9	100%	665.4	100%	741.2	100%

Types of service, recurrence

The digital services businesses (Infrastructures and Applications segments) break down as follows:

Type of activity carried out	Information System Domain	
	Infrastructure	**Applications**
Design/Build	Architecture, projects, migrations, deployments Cybersecurity (audits, consulting, CERT)	Application design, software package integration, application development, tests
Run/recurrent services	Managed services, outsourcing, service desk, hosting, cloud computing, Cybersecurity (Soc, Threat Intelligence)	Support and Third-Party Application Maintenance Business Process Outsourcing (BPO)

According to its recurrence and the type of service (fixed price or on a time basis), the activity breaks down as follows:



Recurrent services with project management and guaranteed-performance commitments are long-term contracts and concern two business segments:

- Infrastructures: Managed services,
- Applications: Third-Party Application Maintenance (TPAM)

They require the intervention of reliable pre-sales teams, significant supervision, rigorous management control and ad hoc interventions by experts: proper application of Group methods, contract audit and search for improvements in the quality of service and profitability. These contracts are signed for initial periods of three or five years and are formally or tacitly renewable. Their average term is therefore often longer.

Technical assistance missions and certain projects, extending over more than twelve months, are considered recurrent.

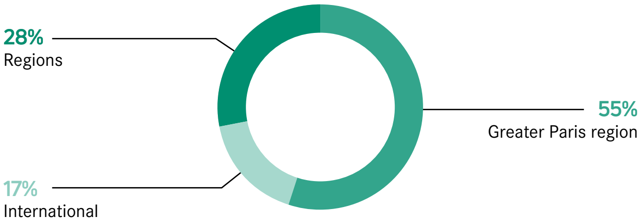
By consensus, all Consulting work is considered to be a non-recurrent project activity.

Overall, the revenue recurrence rate is estimated at approximately 70%.

Intervention mode analysis is derived from the business management systems of the various entities. It is not derived from the accounting consolidation system. The above information is therefore given as an indication.

Activities by geographic zone

The Greater Paris region accounts for 55% of the employees, while the portion of employees in other regions and outside France continues to grow regularly:



Breakdown of staff *(year-end)*	**2019**		**2020**		**2021**		**2022**		**2023**	
	Staff	**%**	**Staff**	**%**	**Staff**	**%**	**Staff**	**%**	**Staff**	**%**
Greater Paris region	3,574	66.5%	3,587	64%	3,588	61%	3,728	58%	3,731	55 %
Regions	1,125	21%	1,258	23%	1,381	23.5%	1,680	26%	1,872	28%
International	673	12.5%	744	13%	900	15.5%	998	16%	1,146	17%
TOTAL STAFF	5,372	100%	5,589	100%	5,869	100%	6,406	100%	6,749	100%

Outside France, at December 31, 2023, staff were distributed as follows: Tunisia (449 people), Romania (411 people), Italy (128 people), Germany (52 people), Singapore (31 people), Belgium-Luxembourg (26 people), Switzerland (23 people), India (21 people), Lebanon (3 people) and USA (2 people). The vast majority work in service centers for services requested by clients located in France. The Group also contracts partners in around 10 countries under global contracts.

1.3. THE CORE BUSINESSES IN DETAIL

Core businesses making up the various segments

The business segments group together one or more professions, concerning both the design/integration and recurring phases. Each core business is housed in one or more dedicated companies, which enables the Group to have a simple legal structure that reflects its organization. Minority interests are held exclusively by the directors and executives of the subsidiaries, veritable shareholder-entrepreneurs.

The activity figures below are the contributions to the Group's consolidated revenues, after restating intra-Group transactions. Therefore these are not the revenues of the companies these core businesses are assigned to.

Segment	Core Businesses
Infrastructure services	• Cloud, Infrastructure management, DevOps • Cybersecurity • User support • IT service management, Information System governance, automation
Applications services	• Digital, UX/UI, agile, DevOps, mobility, Data, • SAP integration and outsourcing • Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes • IT consulting for the finance, big data, AI and Blockchain core businesses • IT training and working with change
Consulting	• Strategy consulting • Management and digital transformation consulting • Digital marketing consulting • RH transformation consulting

Core businesses of the Infrastructure Services segment

Cloud, infrastructure management, DevOps

(in millions of euros)	2022	2023	23/22
REVENUES	165.2	182.6	+11%

Background
Over the last few years, there has been spectacular growth in public and private cloud services (often provided by global giants: Amazon Web Services, Microsoft Azure, Google Cloud...).

The group's business lines have therefore evolved in step with this expansion of infrastructure solutions. So, in addition to their traditional architecture, which remains relevant for applications that have been in production for a long time, companies are increasingly relying on different forms of cloud (public, private, hybrid, multi-cloud, SaaS, etc.).

The use cases for the public cloud have become clearer:
- for their new developments ("cloud native"), large accounts benefit from the functional richness of the dozens of services made available by the major players in the public cloud (e.g. managed databases),
- start-ups and some technology companies, without any IT background (and therefore "digital natives"), naturally prefer the public cloud,
- applications with peak loads (e-commerce, video streaming, etc.) are also natural candidates for the public cloud,
- development or test machines, with their limited loads (non-critical workloads) are suitable for pay-per-use in the public cloud,
- an international presence encourages the use of global platforms, with data centers on all continents,
- more generally, it is tempting for any company to free itself from the physical management of infrastructures in order to no longer own them (Capex to Opex), with the prospect of reducing the size of the internal teams responsible for their management, in addition.

At the same time, corporate customers continue to automate their private clouds where the majority of their applications are located. Thus, in their latest generation private clouds (PaaS), they have access to services similar to those offered by the public cloud: largely automated resource allocation thanks to programming interfaces (API – Application Programming Interface) and/or implementation of an integrated software suite that administers, monitors, controls and automates their various infrastructures (CMP – Cloud Management Platform).

Moreover, relying on high-performance public or private cloud solutions, companies that are constantly carrying out new developments (banks, insurance companies, platforms, etc.) are increasingly using DevOps chains (integrated development environments, software factories, continuous deployment, infrastructure automation, containers, self-service, etc.).

Finally, Software as a Service (SaaS) applications from software publishers are becoming increasingly popular, as they transfer infrastructure management and security to the latter.

Group services
They accompany the expansion of the market's service offers.

i) Public cloud
Assistance with migration to the public cloud is a key area of activity. It includes different steps:
- detailed analysis of the application assets (and the possible eligibility of each application for the planned move). This long phase is essential: a transfer of virtual machines in their initial state would result in an additional expense, without benefiting from the future context. Often, at this stage, old applications are removed and rewritten.
- preparation of the "landing area", i.e. the new public environment that will host the transferred programs.

Once the migration has been completed, customers then need to be assisted in controlling the billing applied to them by public cloud providers (Finops). And, of course, to provide recurring managed services, even if the volume is much lower than in private clouds.

ii) Private cloud
The automation of private clouds also represents a significant part of the activity, with the following missions:
- automated deployments (Ansible, Terraform), APIs, Cloud Management Platforms,
- self-service (Python development, Go)
- design of virtual architectures with automatic and software-based allocation of datacenter resources (SDDC, SDN, SDS),
- integration of container-based solutions (Docker, Kubernetes).

In addition, the Group provides its own private clouds (total of around 15,000 active virtual servers, 80 petabytes of data, and 1,000 physical servers), which translates into:
- for customers: by an "all-inclusive" rent (hosting, use of servers and services);
- for the group: by renting space from a dozen hosting specialists (data centers), acquiring various equipment, implementing and managing virtual servers, optimizing productivity (using its proprietary platform management tool, for example) and securing them.

In this respect, the National Cybersecurity Agency of France (ANSII) has awarded the "SecNumCloud" qualification (granted to less than half a dozen service providers) to the cloud managed by the group's specialized subsidiary, thus recognizing it as a "sovereign cloud" or "trusted cloud".

The group's private clouds are also HDS (Health Data Hosting) approved.

iii) Specialized services
In addition to the above offers, on site or remotely, the group boasts all the profiles required for IT operations and production: pilots, operations analysts (support, piloting, preparation), production engineers, systems engineers, production project managers, datacenter architects and PMO (Project Management Office) profiles. These specialists master Unix and Windows, the market's schedulers, supervision tools and backup tools. Good integration of the applications in operation (fine-tuning of processes and controls, documentation) and efficiency in change management remain the main key factors of success.

Recurring infrastructure management is carried out in different ways: stand-alone technical support (unitary or grouped), complete operation including project management and service level agreements. The services are carried out either on client sites or remotely, from the Group's service centers or in mixed mode, on site and remotely.

Businesses linked to digital transformation:
- public, private (including SecNumCloud), hybrid, multi-cloud,
- containers,
- APIs, automation, infrastructure self-service,
- DevOps: supply of infrastructure services and tools.

Cybersecurity

(in millions of euros)	2022	2023	23/22
REVENUES	20	24.4	+22%

The demand for cybersecurity is sustained and clearly long-term. Information systems are now more open and readily accessible – and hence more vulnerable – than ever before, with e-mail, systematic Internet connections, interconnections between a company's head office, agencies, clients, suppliers and partners, the widespread practice of remote access from portable computers or devices and interconnections with industrial systems and connected devices. The growth in this market generates strong pressures on the expertise resources in this business.

Qualified as an Information Systems Security Audit Service Provider (PASSI, about 40 actors in France qualified by the ANSSI) and Security Incident Response Service Provider (PRIS, only 4 specialists certified by the ANSSI), the cybersecurity entity of the group provides the following complementary missions:
- consulting: global support for IT security, policy definition, awareness, compliance,
- Implementation of solutions: antivirus, EDR (Endpoint Threat Detection and Response), SIEM (Security Information and Event Management), phishing awareness, anti-phishing software, vulnerability scanning, patch management, etc.,
- managed services, SOC (Security Oversight Center), CERT (Computer Attack Response Center) and Threat Intelligence.
- assessment: audits and intrusion testing,

The CERT (Computer Emergency Response Teams) teams respond to around fifty incidents a year.

Businesses linked to digital transformation:
- all business activities set out above.

User support

(in millions of euros)	2022	2023	23/22
REVENUES	204.8	228.2	+11%

The current societal transformation, and people's changing relationship with work, have placed the “employee experience” at the heart of corporate strategy:
- for the employee, each important moment - recruitment, integration, training, collaboration - becomes a determining factor in reinforcing their feeling of belonging to the organization and therefore their level of commitment to work,
- for the company, it's a question of attractiveness and the employer brand, and therefore competitiveness (which is directly correlated with employee engagement).

It is therefore in the interest of managers to consider employees as "internal customers", and ensure that each individual has a simple, personalized, smooth and efficient path to digital experience.

The services provided cover:

- the entire work environment: workstations, mobility and collaboration solutions as well as business application support:
  - technical and functional service desk,
  - adoption and assistance to new uses,
  - local support, space and IT concierge services,
  - engineering of workstations and infrastructures (“on premise” or “cloud”) on all technologies,
  - logistics and deployment,
- all the key moments in the employee's career path: onboarding, skills development, hybrid work, mobility, knowledge sharing, etc.
- the entire life cycle of client projects:
  - consulting as an employee experience architect,
  - transformation and improvement projects,
  - outsourcing with commitments to results.

These services are based on industrial processes and resources:
- 12 interconnected service centers in Europe and in nearshore,
- skills available in more than 20 countries,
- a center of excellence dedicated to the implementation of innovations.

Thus, users benefit from:
- seamless omnichannel support, via telephone, e-mail, Teams, interactive chat, chatbot, voicebot, web call back, multi-service digital space, self-service platform, etc.,
- at any time (24/7) and in a choice of more than twenty-five languages,
- on a wide technical and functional scope: workstations, infrastructures, applications, business processes,
- from high-performance, modern, secure terminals that are managed in a unified manner (tablet, smartphone, laptop, etc.)

The IT and Digital Departments benefit from:
- Knowledge Management to capitalize on technical and application knowledge, processes and business management rules, thus enhancing and sharing information and knowledge;
- the Change Management practice to facilitate the adoption of new solutions and new digital practices;
- the best technological expertise on high-performance solutions through in-depth partnerships (Microsoft, Apple, AWS, Service Now, EasyVista, Nexthink, Interact, Lookout, etc.);
- continuous improvement plans, based on ITIL best practices, aimed at reducing incident rates and developing employee autonomy: self-help solutions, chatbots, proactive user experience monitoring solutions and RPA (Robotic Process Automation) tools;
- progress plans (based on nearly 30 years of feedback from more than 200 clients) that enable productivity gains of 20% to 25% in two to three years. These are then shared fairly with clients in the form of a reduction in fees or an increase in service levels.

Businesses linked to digital transformation:
- use innovation (chatbot, voicebot, artificial intelligence),
- digital space,
- engineering and management of the digital workplace.

IT Service Management, information system governance, automation

(in millions of euros)	2022	2023	23/22
REVENUES	29.6	33.3	+ 12%

The areas covered include managing services and assets for an IT department (IT Service Management, ITSM). The missions carried out improve cost control and structure IT services, in order to increase their quality and the satisfaction of information system users.

The operation carried out can be broken down as follows:
- consulting: defining organization and setting up ITIL processes, benchmarking,
- providing assistance to project owners: defining projects, drafting specifications, managing change,
- operational IT process management and project management,
- implementing ITSM software solutions and managing project portfolios (partnerships with ServiceNow, EasyVista and others),
- Third-party application maintenance.

The line of services was recently enriched in the following complementary domains:
- applications life cycle management (ALM): set up availability, performance and load testing tools for applications (HP Load Runner, etc.),
- IT operations management (ITOM): set up provisioning orchestration and automation tools for IT operations,
- certificate training courses for ITIL (EXIN accreditation).

Service centers for the infrastructures segment
- 11 hosting centers: reserved space at 6 “Tier 3+” level third-party hosting partners in 11 different data centers,
- 7 remote operation centers for servers and applications Nanterre, Courbevoie, Lyon, Tours, Bangalore, Singapore and Tunis,
- 11 user support centers: Nanterre, Angers, Brussels, Bucharest, Frankfurt, Lille, Lyon, Milan, Nantes, Tunis and Timisoara,
- 1 digital workplace in Nanterre.

Core businesses of the Applications Services segment

Digital, UX/UI, Agile, DevOps, mobility, Data

(in millions of euros)	2022	2023	23/22
REVENUES	41.7	55.2	+32%

Working with the CDOs of IT and Digital Departments of major clients, NEURONES designs, manages and carries out digital projects (Web, Mobile and data) which involve high-volume and high-availability requirements.

Using Agile methods and latest generation development tools, the group operates in the following areas of expertise:
- web and mobile application designs (innovation, UX/UI... offer, etc.),
- web project management: Product Owners, Scrum Masters,
- application architecture
- application development (Java, .net, PHP Symfony, Drupal, etc.),
- front end and fullstack development (Node, React, Angular, etc.),
- use of DeVops chains (Integrated Development Environments (IDE), software factories, continuous deployment, containers, etc.),
- infrastructure automation (Ansible, Terraform) and self-service (Python, Ruby, NertJS, Go),
- Third-Party Application Maintenance (TPAM)
- website data analysis: performance measurement (tag management, behavioral data analysis, A/B testing methods, etc.), data analysis, data science,
- data: real-time processing of continuous data streams using Kafka, Spark, Flink and/or Nifi.

Mobile applications (IOS, Android, etc.) are developed by dedicated teams.

The mobile infrastructure management service (MDM – Mobile Device Management) is based on Airwatch, Intune, LookOut, Okta, etc.

The activities related to innovation consulting have been grouped together in a specialized subsidiary. They include services to support innovation and the integration of new technologies. Drawing on its experience, this entity has developed a methodology for scaling up innovative projects.

Businesses linked to digital transformation:
- design thinking, innovation support, Agile methods, UX/UI,
- digital projects,
- mobility,
- connected devices, use of collected data.

SAP integration and outsourcing

(in millions of euros)	2022	2023	23/22
REVENUES	62.4	66.7	+7%

The Group's activities can be broken down as follows:
- integration: functional design and then installation and deployment of new modules or versions, and notably migration to S/4 Hana,
- expertise: work on the key points of projects (data transfer, structural changes, non-regression testing, BI, etc.),
- ABAP development,
- administration and operation using the BC (Basis Components) module,
- support and TMA (which can also be integrated into more global Managed Services contracts),
- user documentation and training (change management).

The following missions are performed on a regular basis:
- split-up or merger of SAP systems (data conversion),
- country roll-out: a core model is rolled out in different European countries,
- implementation of user interfaces (Fiori type), porting of SAP screens to mobiles and tablets,
- expertise for the SAP Utilities module ("IS-U" Industry-Specific Solution for the Utilities Industry),
- management of licenses with Optiuse® ("in-house tool" for measuring licenses actually used).

Content management (ECM, EDM), business process management (BPM, RPA) and paperless processes

(in millions of euros)	2022	2023	23/22
REVENUES	44.7	47.9	+7%

Enterprise Content Management (ECM) uses unstructured data in electronic form (letters, contracts, invoices, emails, miscellaneous electronic documents, photos, videos, etc.), as opposed to information stored in databases. ECM also includes Electronic Document Management (EDM) applications: acquisition, classification, storage, archiving and distribution of scanned documents.

Business process management, whatever the technology or approach used ("Business Process Management" - BPM or "Advanced Case Management" - ACM), aims to map, model and optimize the various processes of a company. Initially limited to back office operations, these solutions are increasingly used in the front and middle offices. This movement is becoming more pronounced as companies increasingly operate in "multi" or "omni" channel mode. BPM exchanges information with operational applications (ERP, etc.) and often uses Enterprise Service Buses (ESB).

ECM and BPM come together when the business processes concern the processing of files (claims, subscriptions, etc.). Both types of applications manage and circulate documents.

Robotic Process Automation (RPA) refers to the automation of routine tasks, through the integration of software robots, called "virtual assistants", which perform operations without human intervention, often through the simulation of keyboard exchanges (transaction entry, management of automated assistants, etc.).

ECM, BPM and RPA are components of an approach called "Smart Automation" or the intelligent automation of business processes. These applications represent a significant market segment, in the same way as, for example, ERP (Enterprise Resource Planning), CRM (Customer Relationship Management) or SCM (Supply Chain Management).

Businesses linked to digital transformation:
- complex applications with high digital content,
- company bus (links between websites, SAP, sending and receiving SMS, paperless processes, etc.),
- distribution applications for text, audio and video content.

IT consulting for the finance, big data, AI and blockchain

(in millions of euros)	2022	2023	23/22
REVENUES	41.3	38	- 8%

This "market finance" activity involves advising corporate and investment banks for what is commonly referred to as their trading activity (shares and derivatives, rates, credit, exchange and raw materials). It provides its expertise in project management assistance, architecture and project management for information systems projects related to the various financial businesses:
- front Office: pricing, position management, negotiation, risk management, liquidity forecasts,
- middle Office: control, validation, enrichment,
- back Office: confirmation, settlement and delivery, cash flow, accounting.

It is also involved in Asset Management and Securities Services.

Most of its teams have mastered the tooling and development in DevOps mode, which is widely used in finance.

Businesses linked to digital transformation:
- roll-out of big data architectures (Hadoop, Hbase),
- data science services,
- DevOps.

IT training and change management

(in millions of euros)	2022	2023	23/22
REVENUES	10.4	11.7	+ 12%

This core business encompasses:
- consulting on the organization of training plans (engineering, management of training plans and courses, communication plans),
- course production: traditional sessions, e-learning, MooC, quick-learning, long courses including “reskilling”, or retraining actions, sometimes financed within the framework of the Preparation for Employment (POE) scheme or Professional Qualification Certification (CQP), etc.,
- the design and then management of “IT stores” or “IT counters” on client premises,
- support and assistance during office automation, business applications or ERP deployments.

One of the buoyant activities in this business is providing support for the installation of new ERP or line-of-business software packages. These are tailored training courses related to deployment projects. They include an upstream phase of consultancy and design of learning and documentary tools (e-learning, instructions for use) and a downstream support phase. We use an in-house digital studio to create educational tools. These tools are distributed via LMS (Learning Management Systems) platforms.

Distance learning offers have developed rapidly since the pandemic, and seem to have become part of the routine.

Service centers of the applications segment
- 7 applications support and TPAM service centers: Nanterre, Amiens, Angers, Bordeaux, Levallois, Nantes and Orléans.

Consulting Segment

Consulting in strategy, management and digital transformation, digital marketing and HR transformation

(in millions of euros)	2022	2023	23/22
REVENUES	45.4	53.2	+ 17%

Strategy consulting provides company managers with specialized advice to help them define or assess strategic options. In August 2023, a firm specializing in this type of service joined the Group's consulting division.

Management consulting services are provided to the operational or functional divisions of corporate accounts. Projects sometimes include a component that requires skills in information systems and in digital transformation.

The management and organization consulting services provided include:
- guidance and support for complex projects,
- coordination of actors for transformation plans,
- assistance and consideration of the contribution of digital technologies to the business,
- support for governance of digital transformation programs,
- operational coordination and management for projects,
- impact studies on regulatory and technology changes,
- definition of strategies for sharing IT systems.

With interventions of type framing or operational, the digital marketing consulting covers the following fields of expertise:
- coordinating innovation workshops,
- managing marketing data on DMP (Data Management Platforms) and managing cookies and their historization, with tools like BlueKai (Oracle) or Krux (Salesforce),
- personalization: choose, in real time, the sales information sent to a web surfer based on his browsing history and the CRM data concerning him (personalization software: Maxymizer, Optimzly, etc.),
- omni-channel models of attribution: modeling cross-channel client journeys to orient media expenditures online based on the visitor's known profile and the tactics decided for all channels,
- omnichannel management (tools: Adobe Campaign, Next Best Action),
- implementation of connected points of sale.

HR-transformation consulting covers a variety of missions: support for social/labor-relations dialogue, continuity plans, the management of expertise channels, and the implementation of shared service centers.

Businesses linked to digital transformation:
- a significant share of the missions, notably the design and organization of campus sites for large groups (teleworking, new uses, etc.),
- digital marketing consulting.

Financial items by business segment

The change in the different business activities' contribution to operating profit (EBIT) was as follows:

Operating profit *(in millions of euros)*	2019		2020		2021		2022		2023	
	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev	EBIT	EBIT/Rev
Infrastructure services	33.9	9.7%	35	9.8%	40.4	10.6%	44.1	10.5%	44.3	9.4%
Applications services	16.2	12.3%*	13.5	9.8%	17.3	10.4%	22.7	11.3%	25	11.4%
Consulting	3.6	13.1%	3.4	12%	3.9	12.1%	6.1	13.5%	6.6	12.2%
TOTAL	53.7	10.5%	51.9	9.9%	61.6	10.6%	72.9	11%	75.9	10.2%

* 8.8% without the capital gain on disposal realized in this business segment.

Operating rate

The operating rate is defined as the ratio between the time allocated to clients' projects and the time the technical resources are available (number of working days less leave, sick leave and miscellaneous absences). This indicator is not defined the same way by all consulting and digital services companies.

Moreover, standard operating rates vary greatly from one line of business to another: consulting (around 70%), projects (around 80%), technical support (more than 90%) and managed services (not applicable).

For projects, it is more meaningful to look at the operating rate and the average selling price per day together, rather than the operating rate in isolation. In entities with a high proportion of technical support, the operating rate is a key management indicator and monitored on a weekly basis.

However, in managed services and TPAM where the billing is based on the completed activity units, it is the gross margin on contracts that is monitored, not the operating rates, which are inherently the highest in the Group.

Likewise, the service desk's operating rate (which can top 95%) is meaningless. It should be analyzed in combination with productivity indicators (the number of calls handled per day per support technician).

Similarly, for training, the occupancy rate (number of participants per room, number of rooms occupied) should be analyzed at the same time as the operating rate to see whether good use is being made of the technical resources.

Partners

An impartial specification policy

NEURONES is independent of any other technology player (vendor, manufacturer, platform manager, etc.). This guarantees the impartiality of its choices and recommendations. All the more so since the group works with designers of proven solutions that are already standards in their market or are set to become so. These partners, who generally do not have significant sales forces, are based on the professional support services of DSCs. By having access to the Group's installed base, they benefit from the relationships of trust established with the largest clients. In return, they train NEURONES consultants to the highest level and provide marketing support.

Six players, often historical, make up the core of the partners who have often awarded NEURONES their best labels of excellence ("Platinum", "Premier", "Gold", etc.):

aws | Microsoft | SAP
servicenow | TIBCO | vmware

In addition, in line with its specialties, the group works with numerous partner editors and manufacturers, including:

Cloud, Infrastructure management, DevOps:
Centreon, Cisco, Citrix, Datadog, Dynatrace, F5, Fortinet, Google, IBM, IPlabel, Ivanti, Juniper, NetApp, Nutanix, RedHat, Rubrik, Signal, Stormshield, Suse, Zerto, Zimbra.

Cybersecurity:
Canary, CrowdStrike, Cybereason, DomainTool, Egerie, Filigran (OpenCTI), Flashpoint, Glimps, Harfang, Keeper, Palo Alto, Phished, Qualys, Sekoia, SentinelOne, Splunk, Skybox, Tenable, Vectra, VirusTotal.

User support:
Arp, Be-Cloud, BlueVoyant, Brightmetrics, Bringme, Caphyon, CrowdStrike, Dell, Druva, Easy FM, F5, Genesys, Igel, Jamf & Parallels, Knox, Lineberty, Lookout, Mozzaïk, Netskope, Nexthink, Okta, Paessler, Proofpoint, Qlik, Qwesto, Rapid7, Riot, ServiceNav, SightCall, Signifi, Synapse, Tanium, TD Synnex, Vade, Varonis, Wats.

IT service management, automation:
Armis, Darktrace, Dynatrace (Ignite), EasyVista, Keysight Technologies, OpentText, Sunburst simulation (DevOps & PoleStar).

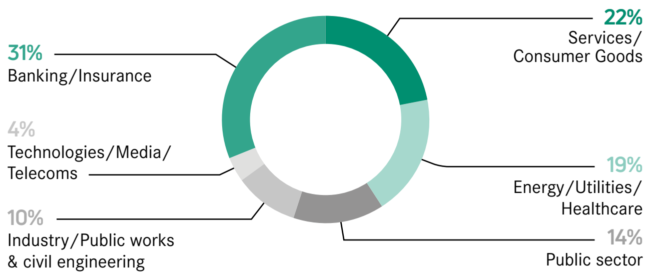
Applications:
Abbyy, Appian, Automation Anywhere, Blueprism, Boomi, Box, Camunda, Cloudera, Confluent, Couchbase, Denodo, Digitail.ai, Docuware, Captiva, Esker, Expert.ai, Hyland (Alfresco & Nuxeo), IBM Filenet, Instabase, Lookout, Mongo DB, Okta, OpenCell, OpenText, Polestar Rocket Software, Snowflake, Solace, Tungsten Automation, UiPath, Ververica (Flink), Visioglobe, Workato.

Finally, the group's teams develop tools and apps using all the languages on the market (Java, .Net, PHP, Node, React, Angular, iOS, Android, Scala, low-code, etc.) and in their clients' various integrated development environments (Jira, Eclipse, Visual Studio, software factories such as Github, XL Deploy, Octopus Deploy, Ansible, Terraform, Python, Kubernetes, Docker, etc.).

Clients

NEURONES' client base is made up of around 1,000 medium and large-sized private-sector companies, in addition to state-owned enterprises, local authorities and government departments, for whom the Group carries out mid-size projects (up to €10 million per year).

The revenue breaks down by sector as follows:



At the end of this fiscal year, as in previous years, the number one client is a major Group whose many decision centers and subsidiaries order services independently of each other and from different Group entities.

All told, 80% of NEURONES' client base (i.e., 32 of its 40 clients) are groups listed on the CAC 40.

In 2023, the top 20 clients were (in alphabetical order): Accor, Axa, Banque de France, BNP Paribas, Bolloré, BPCE, Conseil Départemental des Hauts-de-Seine, Crédit Agricole, EDF, Engie, Groupe Avril, Kering, L'Oréal, La Poste, LVMH, McDonald's, Saint-Gobain, SNCF, Société Générale, Suez.

Over the long term, the weight of the main clients is relatively stable:

Breakdown of revenues *(in millions of euros)*	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Top 20 clients										
• In value	211.4	225.6	260.5	285.7	294.8	293	293.3	326.3	366.3	412.8
• As % of consolidated revenues	59.5%	56.5%	58.3%	58.9%	60.1%	57.4%	55.9%	56.3%	55.1%	55.7%
Top 10 clients										
• In value	161.8	175	206.4	224.1	235.7	237.6	239	263.2	289.9	317.2
• As % of consolidated revenues	45.6%	43.8%	46.2%	46.2%	48.1%	46.6%	45.6%	45.4%	43.6%	42.8%
Top 5 clients										
• In value	116.6	127.2	146.1	161	169.8	169.3	178.7	200.5	223.8	236.7
• As % of consolidated revenues	32.8%	31.8%	32.7%	33.2%	34.6%	33.2%	34.1%	34.3%	33.6%	31.9%
No. 1 client's share										
• In value	34.4	37.6	42	40.7	48	47.4	45.3	54	63.5	64.9
• As % of consolidated revenues	9.7%	9.4%	9.4%	8.4%	9.8%	9.3%	8.6%	9.3%	9.6%	8.8%

The analysis of revenues by sector is based on the business management systems of the various entities (without a single coding system) and on a table grouping clients by group. It does not come from the accounting consolidation system. This information is therefore given for information purposes only.

As at December 31, 2023, trade receivables were outstanding for 80 days:

	2019	2020	2021	2022	2023
Trade receivables	89 d	82 d	82 d	81 d	80 d
of which unbilled revenue	15 d	12 d	14 d	12 d	13 d

Trade receivables grew in the same proportion as the activity. The Group uses neither factoring nor the exchange of securities for debt.

Subcontracting

Upstream subcontracting

A small portion of the revenues (roughly 2.6% in 2023) is generated by acting as a subcontractor for a manufacturer, vendor or fellow company.

Downstream subcontracting

Subcontracting covers a variety of situations: freelancers (51%), fellow providers (38%) and technical services (11%) (network link rental, simple hosting, other). The amount of subcontracting purchases, in proportion to the Group's revenues, is consistently growing, primarily due to difficulties in the recruitment market and the fact that an increasing number of IT consultants and technicians prefer to work as independent providers or freelancers.

2019	2020	2021	2022	2023
23.1%	24.3%	25.1%	26.6%	27.6%

The rate of subcontracting varies according to the business line. For example, it exceeds 40% in training activities and around 30% in three entities that provide a high proportion of technical assistance services. The rate is only 14% in the field of user support services.

Trademarks and patents – Industrial and intellectual property

Software

NEURONES has developed and is the owner of various "software building blocks", which it uses for its own requirements or those of its clients.

Patents

By law, software cannot be patented as such, so there are no patent license agreements.

Brands

The Group owns or uses, free of charge, the trademarks used for the business names of its entities, websites and offers.

1.4. MARKET AND COMPETITION

The consulting and digital services market: size and developments

The overall sector for consulting and digital services, including technology consulting and software publishing, represents revenues of around €66 billion, i.e. a market that is twice the size of the pharmaceutical industry, for example. It is broken down as follows:

Size of the French market *(in billions of euros)*	2023	%
IT consulting and digital services	33.9	51.2%
Technology consulting	8	12.1%
Software publishing and Cloud platforms	24.3	36.7%
TOTAL	66.2	100%

Source: Numeum – December 2023.

It is estimated that the sector employs 2.5% of all French salaried employees, representing a workforce twice as big as that in the aeronautical and aerospace sector, for example. There are around 800,000 salaried IT technicians in metropolitan France (excluding approximately 70,000 freelancers) broken up roughly as follows:

- two thirds in DSCs (IT services companies), software publishers and technology consulting firms,
- one third work at the end clients, by whom they are employed.

Since 1999, the average annual growth rate in IT services has been between two to three times that of GDP (in France).

According to various observers and forecasters, the outlook for the French consulting and digital services market (in the strict sense) remains very positive in 2024 (+3.3%), albeit at a slightly slower pace than in 2023 (+4.1%):

Change in the French market	2019	2020	2021	2022	2023	2024 (e)
IT consulting and digital services	+ 3.1%	- 4.2%	+ 4.4%	+5.1%	+ 4.1%	+ 3.3%
Technology consulting	+ 5%	- 12.3%	+ 5.9%	+ 7.4%	+5.5%	+4.6%
Software publishing and platforms	+ 6.6%	+ 0.3%	+ 9.5%	+ 11.3%	+10.3%	+ 9.5%
AVERAGE WEIGHTED	+ 4.2%	- 4.6%	+ 6.3%	+ 7.5%	+ 6.5%	+5.8%

Source: Numeum – December 2023.

Overall, the sector's growth is supported by projects related to digital transformation (digital projects, client experience, cloud, security, data, etc.). Generative Artificial Intelligence (AI) is seen either as an opportunity to improve internal processes, or as an opportunity to grow revenues. AI services, like the responsible use of digital technology, have yet to take off in any significant way.

Service providers have tried to offset wage increases (linked to inflation) by raising their prices. The shortage of skilled labor is still very acute. Training is seen as a priority to counter the rapid obsolescence of technical skills and respond to the constant changes in the sector's professions.

Offshore activities account for an estimated 10% of the French digital services market.

Competition

In terms of revenues, NEURONES is ranked 9th among Consulting and Digital Services companies (therefore excluding technology consulting companies: Alten, Assystem, SII, etc.) in a very fragmented market for services in France (the number of fellow companies that employ more than 10 people is estimated at around 4,000):

	Revenues of main DSCs s in France	French market share (approximate share)	Nationality
1	Capgemini (including Altran)	11.9%	France
2	Sopra Steria	6.7%	France
3	Accenture	6%	United States
4	Orange Business	5.4%	France
5	Atos	4.9%	France
6	CGI	3.9%	Canada
7	IBM	2.5%	United States
8	Inetum	2.5%	France
9	NEURONES	2%	France
10	DXC Technology	1.8%	United States
	Top 10 total	47.6%	

Sources: 2022 revenues in France according to the PAC study of July 2023 (2023 revenues are not available at the time of writing). For the French market in 2022, the divisor used, 31.9 billion (consulting and IT services), could be slightly underestimated.

NEURONES encounters a wide range of DSCs (IT services companies) and management consulting firms of all sizes in its various markets. As a multi-specialist, the Group tends to find itself, in each of its business lines, up against different competitors of varying sizes rather than overall competitors.

Cloud, infrastructure management, DevOps

The infrastructure market in general is very fragmented between the departments of certain large service providers and numerous dedicated companies of varying size.

Most of the historical players in the private cloud market segment have formed dedicated teams to support them in the public cloud segment (Amazon Web Services, Microsoft Azure, Google Cloud, etc.). They also provide recurring services concerning the public cloud in their service centers.

For the private cloud (IaaS), after a phase of fragmented competition, the number of players is decreasing in a volume-based market; with competitors differentiating themselves through services targeted at different client bases.

Cybersecurity

The many players in this segment are often small companies (a few dozen employees), departments of large DSCs, “captives” of industrial companies (Thales, Airbus, Orange, Dassault, etc.) or even audit firms.

User support

The Group's specialist business entity, one of the leaders in France, primarily competes with a small number of medium-sized fellow providers. For large contracts (support for several thousand users), there are entry barriers: open and redundant information systems, business continuity plans, innovation capacity, staffing capacity, the need to have service centers in the region (greenshore), nearshore and offshore and geographic coverage (several countries, worldwide).

Digital, UX/UI, agile, DevOps, mobility, Data, IoT:

Numerous companies of varying sizes are accompanying these new technological waves, while the major DSCs have specialized departments within them.

SAP, ECM/EDM/BPM/RPA

Close to the vendors whose products they integrate, competitors are either small or medium-sized specialized companies or the dedicated departments of large DSCs. Large-scale TPAM is often handled by players with offshore capabilities.

IT consulting for the finance, big data, AI and blockchain

The challengers in this segment tend to be medium-sized, independent specialist service companies.

IT training and change management

The Group is one of the top five specialized IT-training players in France. Competitors are independent organizations.

Consulting services in management, organization, digital transformation and digital marketing

The competition is extremely varied, including both the “top players” and numerous medium and small-sized consulting firms (between two and three hundred in France).

1.5. ORGANIZATION

Operational organization chart

The following functions are centralized:
- Group senior management,
- client relations management for select key accounts:
- coordination of major multi-entity projects:
- Group marketing and communications,
- finances (consolidation, management control coordination, management of the parent company's cash and the cash pool supplied by the subsidiaries),
- legal affairs for the parent company and legal assistance for the smaller entities.

The operational subsidiaries essentially perform the following functions:
- senior management,
- sales,
- service delivery (team allocation, contract performance and monitoring),
- recruitment, human resources management and payroll,
- quality (certifications, monitoring and improvement plans),
- marketing,
- accounting and management control,
- legal services for subsidiaries of a certain size (legal secretariat, insurance, claims management, etc.)
- IT and facilities management,
- IS security and personal data protection (GDPR).

The steady increase in subcontracting explains the (deceptive) fall in the ratio of billable staff:

2019	2020	2021	2022	2023
88.8%	88%	88.2%	88.1%	87.2%

The Group is organized into highly independent profit centers, with the central functions kept to a strict minimum. Each subsidiary communicates in its business line with its own name.

The management committee is composed of around fifteen senior managers, who are shareholders in the entity they manage or set up, and also hold shares in the Group.

Sales organization

The sales organization has two levels:
- the sales forces, specialized by type of service and by the business sector, are divided up among the entities, business by business,
- in addition, for around ten major clients, a cross-functional department coordinates the actions of the sales forces concerned in the various entities. Each global account manager is also responsible for the consolidated reporting for these large groups.

Marketing and communication organization

The Group marketing and communication department reports to the general management. It designs and deploys operational marketing initiatives to support NEURONES' reputation and image. The team handles both external communication (job applicants, shareholders and investors) and in-house communication.

As soon as an entity attains the requisite size, a local team is set up to handle its own marketing (service lines, communication, etc.) sometimes in coordination with the Group-wide department.

Technical organization

The technical departments are distributed in the business entities. Each subsidiary uses its collaborative tools to manage its technical knowledge.

Human resources organization

Each subsidiary handles its own recruitment, training plan and compensation policy. Payroll management is pooled in several processing centers, as is participation in selected career fairs and the purchase of software tools for sourcing (“job boards”).

Administrative and financial organization

The following functions are centralized:
- the budgeting process,
- management of the Group's cash position and cash pooling,
- monthly consolidation and statutory half-yearly consolidations,
- support for external growth.

Each subsidiary is responsible for its accounting, management control and cash management (including its potential participation in the Group's cash pool).

Quality system

The three main components of the Infrastructures business segment are ISO 9001 certified, which together represent 50% of the Group revenues. The certified activities include systems and network design/build and operation, IT operations and user support.

The managed services of the three infrastructure entities with service and accommodation centers are certified ISO 27001, as well as the cybersecurity company and the one dedicated to Electronic Document Management.

Both private clouds are authorized to host health data (HDS).

For the other businesses, there are generally a set of documented procedures.

Internal IT organization

Each company has its own information system (IS), the holding company being attached to the subsidiary with which it shares its premises. Four entities, including the three that are ISO27001 certified, have a dedicated IS Security Manager (ISSM) in addition to their CIO. Each entity has a Data Protection Officer (DPO) or a person in charge of ensuring personal data are protected (GDPR).

1.6. DEVELOPMENT AND INVESTMENT STRATEGY

Development strategy

To move significantly faster than the market, NEURONES applies a strategy that revolves around the following points:

- help clients get the best from new technologies by supporting them in particular in the fundamental shift of the digital transformation;
- expand relations with corporate accounts and increase the size of projects the group is capable of handling;
- work with innovative or complementary consulting firms and DSCs. NEURONES' organizational structure based on autonomous profit centers, with their own resources and operating statements, has accustomed it to dealing with associate-entrepreneurs;
- play an active role in the slow but steady concentration of the sector. The main criteria for partnerships are as follows:
  - growing and profitable companies (or subsets of companies),
  - management that has a proven track record,
  - operations increase earnings per share;
- Expand by extending geographical coverage (regions, international). Initially, the Group channeled its efforts into attaining a significant size in its core businesses, in the Paris region. Then, primarily to satisfy clients' requests, the proportion of the business generated in French regions and outside France grew significantly (28% of staff in regions outside of Paris and 17% of staff outside France).

Investment policy

Research and development

R&D investments are not centralized, but planned and carried out in each entity. Days spent on technology watches and R&D are not capitalized on the balance sheet.

Every year, the group conducts a cross-functional review of its R&D activities. In 2023, the eligible research programs generated Research Tax Credits (RTC) amounting to an overall total of €1.5 million:

(in millions of euros)	2019	2020	2021	2022	2023
Research Tax Credit	0.8	0.8	1.3	1.3	1.5

Industrial investments

In 2023, "industrial" investments rose significantly to €17.9 million (€10.6 million in 2022). They primarily concern computer hardware and software (especially for the Group's private clouds), the outfitting of premises and Company cars. The increase in Capex is essentially due to the ramp-up of the new SecNumCloud secure, sovereign private cloud platform. These investments were financed primarily through by available cash and partly by supplier credit (reclassified as financial debt).

The Group rents all its premises (40,400 m^2 at December 31, 2023, including 1,000 m^2 in co-working spaces) from outside owners, who have no connection to NEURONES shareholders or its subsidiaries.

Net financial investments

In 2023, net financial investments amounted to €5.8 million. They correspond to two acquisitions, as well as various purchases of shares in subsidiaries.

1.7. CASH FLOW STATEMENT SINCE THE IPO.

Since it was listed on the stock exchange in May 2000, the Group has made a number of acquisitions, around fifteen of which were of a significant size, for a total disbursement of €98.4 million (net of the acquired companies' cash and cash equivalents). These investments were largely financed by free cash flow (€473.5 million) generated by operations over the same period, as detailed in the table below.

Cash flow statement *(in millions of euros)*	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL
Net profit	3.7	5.4	5.9	4.9	5	6.3	6.6	9.9	13	12.8	14.9	17.0	17.2	21.4	23.6	24.5	29	31.6	29.6	35.2	35	42.9	51.8	58.6	505.8
Amortization and provisions	1.1	1.3	1.9	1.9	1.6	1.1	3	3.3	3.1	4.1	3.9	2.8	5.9	6.7	6.1	7.1	8.1	9.6	8.7	5.4	11.2	10.6	12.6	12.7	133.8
CASH FLOW	4.8	6.7	7.8	6.8	6.6	7.4	9.6	13.2	16.1	16.9	18.8	19.8	23.1	28.1	29.7	31.6	37.1	41.2	38.3	40.6	46.2	53.5	64.4	71.3	639.6
Change in WCR (increase)/decrease	(1.4)	2.5	(1.7)	1.3	0.9	(1.9)	(5.3)	2.1	0.6	(1.3)	(3.3)	(10.0)	(2.5)	(6.2)	0.6	(0.1)	(13.6)	(15)	(5.6)	14.2	16.4	4.7	(16.2)	(1.8)	(42.6)
Net industrial investments	(1.0)	(1.2)	(0.9)	(1.1)	(1.0)	(0.9)	(2.2)	(2.6)	(2.3)	(2.2)	(2.8)	(4.7)	(4.4)	(5.5)	(5.3)	(12.8)	(6.7)	(8.9)	(6.9)	(7.8)	(7.4)	(6.4)	(10.6)	(17.9)	(123.5)
FREE CASH FLOW	2.4	8.0	5.2	7.0	6.5	4.6	2.1	12.7	14.4	13.4	12.7	5.1	16.2	16.4	25.0	18.7	16.8	17.3	25.8	47	55.2	51.8	37.6	51.6	473.5
Net financial investments	(8.8)	-	(3.8)	(2.1)	(0.8)	(1.0)	(2.9)	(2.8)	(14.2)	(3.9)	(2.8)	2.9	(1.9)	(1.7)	(2.1)	(12.6)	(5.4)	(7.5)	(3.4)	(6.4)	(1.8)	(5.6)	(4)	(5.8)	(98.4)
Increases of capital, disposals	29.9	-	-	-	0.2	0.8	0.3	0.5	0.1	0.3	0.4	1.1	0.4	0.3	1.5	0.8	1	6.5	0.8	6	(0.4)	1.6	2.2	2.2	56.5
Dividend and other items	(0.1)	(0.2)	-	-	-	(1.2)	(1.5)	(1.5)	(4.4)	(2.6)	(1.7)	(2.4)	(2.0)	(1.9)	(2.3)	1.2	(2.6)	(3.1)	(2.7)	(2.8)	(4.9)	(49.2)	(28.9)	(24.6)	(139.4)
CHANGE IN CASH AND CASH EQUIVALENTS	+23.4	+7.8	+1.4	+4.9	+5.9	+3.2	(2.0)	+8.9	(4.1)	+ 7.2	+8.6	+6.7	+12.7	+13.1	+22.1	+8.1	+9.8	+13.2	+20.5	+43.8	+48.1	(1.4)	6.9	23.4	+292.2
Cash and cash equivalents at year-end	26.6	34.4	35.8	40.7	46.6	49.8	47.8	56.7	52.6	59.8	68.4	75.1	87.8	100.9	123.0	131.1	140.9	154.1	174.6	218.4	266.5	265.1	272	295.4	-

1.8. RECENT DEVELOPMENTS

In 2023, the Group once again achieved double-digit organic growth:

(in millions of euros)	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023
Revenues	162.6	164.5	158.9	179.4	665.4	187.1	181.6	177	195.5	741.2
Growth	+ 12.8%	+ 13.4%	+ 15.4%	+ 17.3%	+ 14.7%	+ 15.1%	+ 10.4%	+ 11.4%	+ 9%	+ 11.4%
Organic growth	+ 12.2%	+ 12.8%	+ 14.7%	+ 16.8%	+ 14.2%	+ 15.1%	+ 10.7%	+ 11%	+ 8%	+ 11.1%
Operating profit	11.4%	11.2%	11.2%	10.1%	11%	11.4%	10%	10.4%	9.1%	10.2%

1.9. OUTLOOK

2024 forecasts

During its March 7, 2024 presentation to financial managers and analysts, NEURONES stated that the group:
- had noted ongoing growth resulting from the 11.4% growth in 2023,
- had noted a slowdown in momentum in the 4th quarter (+8% growth), even though the market remained buoyant with numerous opportunities,
- had pointed out that recruitment was still difficult, especially for certain types of profile.

Other factors that could potentially affect the market and the Company in 2024 were also reported.

Favorable factors:
- sustainable and profound opportunities linked to digital transformation and AI,
- acceleration of innovations (AI, Data, Cyber protection tools, sovereign cloud, DevOps, etc.),
- renewal of technologies, a fact that usually improves margins.
- new specialized entities, mobile, with controlled costs, to capture the profitable segments.

Unfavorable factors:
- pressure on recruitment, persistent high staff turnover,
- steady increase in subcontracting,
- lack of economies of scale in Consulting and Digital Services,
- a low number of quality, value-creating “targets” with succession management.

It was also stated that NEURONES' forecasts for 2024 will be announced, as usual, when it posts its 1st quarter revenues (May 15, 2024).

Provisional calendar of financial events

Shareholders' Meeting:
- Thursday, June 6, 2024

Revenue announcements*:
- Wednesday May 15, 2024 (1st quarter 2024),
- Wednesday, August 7, 2024 (1st half 2024),
- Wednesday November 6, 2024 (3rd quarter 2024),

Profit announcements*:
- Wednesday September 11, 2024 (1st half 2024),

* at the close of trading.

❷ Extra-financial performance

2.1. BUSINESS MODEL

A client's expectations of a Digital Consulting and Services company are primarily:

- mastery of the latest technologies and a range of consulting to inform its decisions (evaluation of the return on investment and choice of timing). Currently, the demand is especially strong on the following subjects: cloud in all its forms, cybersecurity, digital projects, Agile methods (Product Owners, Scrum Masters), UX/UI design, data and analytics, mobility, DevOps in general (including tooling), infrastructure automation,
- the operational availability of human resources trained in the latest tools and their stability,
- the ability to produce managed services with a guaranteed-performance commitment
- a size compatible with our commitments.

At the top of the cycle, because of turnover, clients and service providers encounter great difficulty ensuring the stability of project teams. At the bottom of the cycle, companies in the sector are more likely to be solicited on a global basis, within the framework of contracts with formalized service level commitments.

Current trends include the growth of teleworking and the success of freelancing among IT specialists.

A service company devotes as much energy to satisfying its customers as it does to strengthening its ability to attract and retain its employees (its No. 1 asset).

Given its organization in business entities, with bosses who have a stake in the capital, NEURONES also has the particularity of constantly looking for new entrepreneurs who will ensure its long-term growth (through mergers, spin-offs or start-up of new structures). The Group's value creation is illustrated by the diagram on the next page.

Details of the various business lines are described in section "1.3 Business lines" of this Universal Registration Document.

NEURONES' business model can be illustrated as follows:

Resources

Human capital
- 6,750 employees in 10 countries
- 9,100 days of training in 2023
- 235 senior executives and managers
- Subcontractors of which independent: 1,800 full-time equivalent employees

Line of services capital
- Strong presence in digital solutions (cloud, data, digital projects, cybersecurity, etc.)
- Equilibrium between recurrent services with commitments (39%), projects (17%) and stand-alone or pooled technical support (44%)
- Balanced distribution between highly specialized niche services and global services

Organizational capital
- Service Centers
- Managed services contract management teams
- Pre-sales, internal audit teams, GDPR, Quality, IS Security

Financial capital
- Shareholders' equity at the end of 2023: €408m
- Net cash and cash equivalents at the end of 2023: €290m
- Overwhelmingly majority managerial shareholding

Strategy

- Build employee loyalty and increase attractiveness to candidates (turnover slows growth, dilutes corporate culture and erodes efficiency)
- Work with new shareholder entrepreneurs who, if possible, join the Group with their company
- Continue to invest in new innovative services and emerging technologies through acquisitions or spin-offs
- Maintain a diversified portfolio of services to withstand cyclical ups and downs
- Expand by extending geographical coverage
- Gain credibility to take on larger and larger projects

Value creation

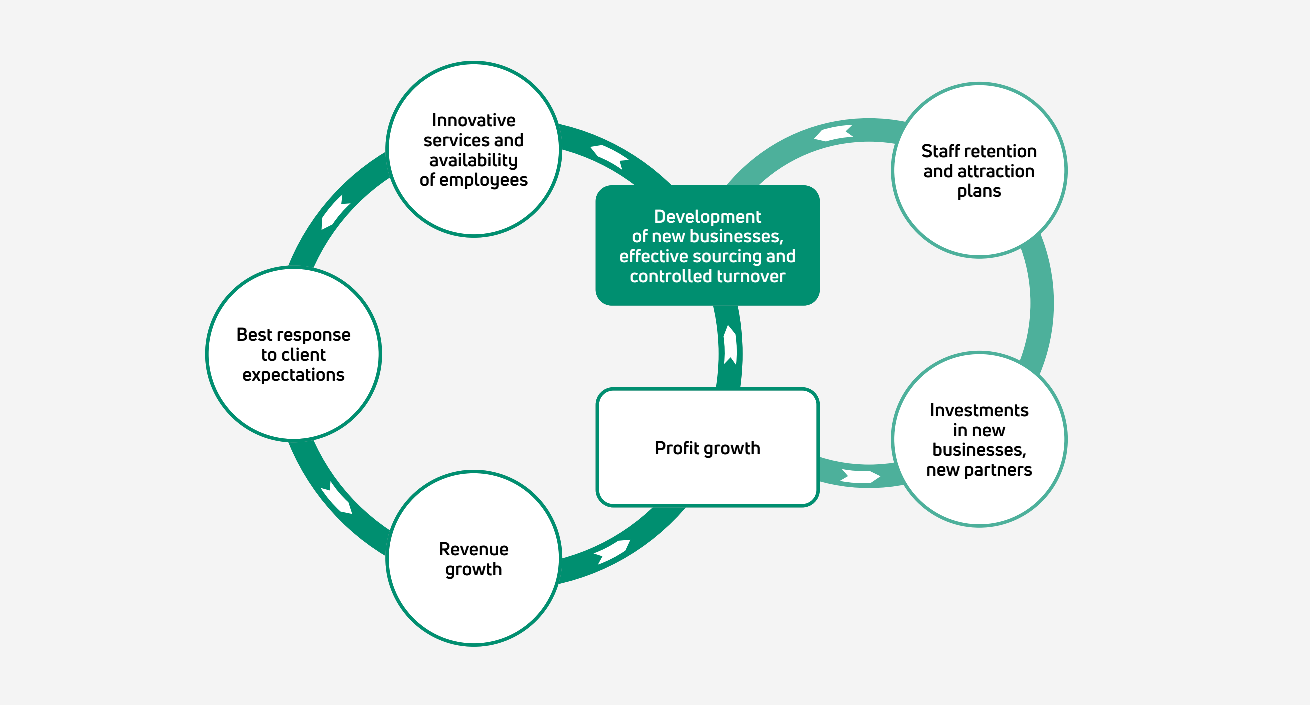
Human capital
- Net creation of over 275 jobs in 2023 (excluding changes in the scope of consolidation)
- Numerous awards: "Great Place to Work", "Happy at Work", "Best Employer"
- History of directors and managers with stakes in the share capital

Line of services capital
- Public and hybrid cloud, AI, blockchain
- SecNumCloud secure, sovereign cloud
- Dedicated entities:
  - networks/telecom
  - cloud-native development
  - risk, compliance and regulatory consulting

Organizational capital
- €17.9m in capital expenditure by 2023 for the new SecNumCloud platform and service centers

Financial capital
- Operating profit: 10.2% of revenues
- 69% of results set aside (10-year average) to finance future investments

NEURONES' value creation model can be illustrated as follows:



2.2. KEY CSER RISKS IDENTIFIED

The analysis of CSER risks was developed based on the global mapping of NEURONES risks and with the same calculation method (impact in case a risk occurs and probability of occurrence). As every year, the document has been reviewed by the Board of Directors. No new CSER risks have been identified for 2023.

The potential CSER risks identified as priorities are as follows:
- difficulties retaining staff that would materialize in excessive turnover,
- recruitment problems that would be the consequence of a lack of attractiveness,
- departures of key staff in the event of inadequate incentive systems: variable pay, bonus shares, performance shares
- training gaps (impact on turnover and attractiveness),
- absenteeism too high (warning signal of turnover).

For priority risks, key performance indicators (KPIs) have been defined. They are labelled KPI in the remainder of the text.

The following potential CSER risks were deemed as important, but are not among the main risks:
- ethics, prevention of corruption,
- health and safety.
- insufficiently proactive attitude on the following themes: gender equality, diversity, welcoming people with disabilities, sponsorship actions (lack of response to the need for meaning in professional life with, ultimately, an impact on turnover),
- insufficient dialogue between management and employees (impact on turnover and attractiveness, potential labor movements),
- poor anticipation on following themes: carpooling, use of non-polluting transport, selective sorting,
- too much commuting between home and work,
- insufficient attention paid to data centers' electricity consumption,
- responsible, equitable and sustainable food supply,
- promotion of the practice of physical activities and sports,

Because of its consulting and digital services activity, NEURONES did not deem the following themes represent a material challenge:
- animal welfare,
- fight against food waste and food insecurity.

2.3. CSER STRATEGY

Governance

A Sustainable Development Committee leads the Group's CSER initiative. This seven-member committee reports to the administrative and financial director and has the following responsibilities:
- pass on ideas for projects,
- select programs,
- for each of the projects selected: choose indicators, define their initial and target value,
- regularly review the progress made (continuous improvement),
- monitor developments in CSER,
- manage the selected indicators over time.

Subsidiaries that have their own CSER approach exchange information with the Sustainable Development Committee, which draws on their best practices. The Committee met by videoconference to discuss the 2023 Statement of non-financial performance.

History

2010: first signatures of the Diversity Charter (eight entities are signatories to date) and the UN Global Compact (two entities are signatories).

2011: NEURONES' first response to the Gaïa ESG questionnaire.

2012: creation of the Sustainable Development Committee, first CSER report.

2013: verification of the report by an external third party (Kpmg).

2014: monitoring of data centers' electrical power consumption is implemented.

2017: implementation of the corruption prevention mechanism (Sapin II Law), in particular a Code of Conduct.

2018: the CSER report evolves and becomes the Statement of Non-Financial Performance (SNFP).

2020:
- new internal employee survey on home-workplace travel (1st edition: summer 2015).
- the Group's carbon footprint calculated and deposited on the ADEME website.
- the Group's consulting firm becomes an "société à mission" (purpose-driven company).

2021:
- responsible purchasing: framework agreement with Provigis, a platform managing subcontracting purchases,
- partnership with the GESAT network (2,250 EA and ESAT),
- responsible digital technology: eco-design of sober applications and websites, increase in the useful life of computer equipment.

2022: participation of the hosting entity (private cloud, SecNumCloud) in the "high committee for an eco-responsible digital" instituted by the government.

2023: preparation of the first Sustainability Report, updating of the CSRD (Corporate Sustainable Reporting Directive): mapping of Impacts, Risks and Opportunities (IROs), rating and prioritization of the 1,200 potential data points, then implementation of reporting tools during the second half of 2024. This first report will be produced in early 2025, using 2024 data.

Objectives

NEURONES' CSER objectives are as follows:
- increase the attractiveness of the Group and build loyalty by:
  - maintaining employability (interest in missions, continuous training, bridges, etc.),
  - ensuring good HR practices (equal opportunities for all candidates, promotion of diversity and inclusion, gender equality, employee relations, prevention of corruption, retention of key managers and executives, partnerships with civil society actors),
  - focusing on well-being and quality of life at work (work organization, premises renovation, encouraging physical exercise)
  - initiatives aimed at responding to consultants' "quest for meaning"
- promote the integration of disabled people, in particular on client contracts (in association with companies in the adapted sector), in retraining or far from employment,
- share with significant subcontractors the Group's CSER concerns and evaluate them,
- remain alert to ethical risks (prevention of corruption, anti-competitive practices),
- develop CSER missions for clients as well as CSER commercial offers,
- implement an action plan to regularly reduce the Group's carbon footprint (carbon footprint, reduction of travel costs, choice of energy-efficient buildings and data centers, digital sobriety, etc.), particularly for the part that impacts customers (carbon footprint per customer project).

2.4. EMPLOYEE RELATIONS POLICY

Staff

Over the last ten years, the number of employees (at the end of the fiscal year) has increased from 4,065 to 6,749 (+66%):

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
4,082	4,580	5,044	5,028	5,160	5,372	5,589	5,869	6,406	6,749

In France, more than 94% of the staff have permanent employment contracts. The remaining employees have fixed-term contracts, primarily professionalization and apprenticeship contracts. Part-time workers (1.6% of employees) are counted as one person.

Employees are distributed geographically as follows: Greater Paris region 55%, other French regions 28% and outside France 17%. Workforce-related figures (below) are calculated for the entire Group, unless it is specifically stated that they refer to a smaller scope ("France" 83%: of staff or "Sage + Cegedim + Silae": 77% of staff).

To enable its employees to enjoy a stimulating environment, NEURONES endeavors to apply the best practices of sound HR policy and measure the effects.

Active recruitment policy

The number of new employees (permanent + fixed-term contracts, excluding acquisitions and disposals) changed as follows:

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1,142	1,647	1,695	1,857	2,012	1,904	1,612	1,999	2,646	2,425

KPI

Recruitment procedures include, for example:
- technical multiple-choice questions for each specialization,
- at least one technical interview, where relevant,
- at least one personality interview.

In France at the end of 2023, 250 young people were doing an apprenticeship and 20 were working under a professionalization contract. During the financial year, we received 150 people doing internships.

Turnover

Turnover (total number of resignations as a proportion of average headcount), although down slightly, remains high. It was relatively stable during the year (per quarter: 16.5%, 16.5%, 19% and 16%). Tensions are especially high in highly sought-after profiles, for example in cybersecurity, cloud, and DevOps.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
13%	13%	13%	17%	20%	16%	11%	16%	18.5%	17%

KPI

The following actions were taken to build loyalty and increase the attractiveness of the Group to employees and candidates:
- increasing the number of training courses to 9,100 days,
- adapting working methods: the majority of employees telework, renting coworking spaces (meeting rooms, the possibility to work from time to time in all the coworking company's sites, etc.), moving certain entities to more easily accessible locations and to buildings with services (gyms, concierge services, etc.),
- renovating sites: creating lounges, rest rooms and other modernized reception areas to contribute to well-being at work,
- fewer levels of authority, favoring initiatives and accountability,
- organizing sports events (running, futsal, catamaran, etc.),

- increased presence on social networks and blogs (increase in community management) and development of employer brands: “Welcome to the Jungle“ films, followed by Glassdoor ratings and recommendation rates, number of Twitter subscribers, Facebook “likes“, etc.
- organizing employee events: afterwork events, outings on the Multi 50 trimaran, prediction contests, etc.
- attempts to satisfy young graduates' “need for meaning:” higher environmental requirements and skills sponsorships.

It should be noted that 55% of the Group's employees work in the Paris region, where turnover is traditionally higher than in other French regions.

The change in arrivals/departures is as follows:

Detailed trend in staffing figures	2019	2020	2021	2022	2023
New hires	**1,904**	**1,612**	**1,999**	**2,646**	**2,425**
Changes in scope					
Acquisitions	-	44	9	-	71
Disposals	(32)	-	(13)	(15)	(1)
Departures					
Resignations	837	614	913	1,126	1,123
End of trial periods	257	285	266	219	468
End of fixed-term, apprenticeship and prof. contracts	234	261	246	461	277
Mutual-agreement terminations	155	100	77	97	113
Layoffs	143	157	172	177	149
Miscellaneous	34	22	41	14	22
Total departures	**1,660**	**1,439**	**1,715**	**2,094**	**2,152**
NET CHANGE IN THE WORKFORCE	212	217	280	537	343

Working hours

More than 98.4% of the workforce in France work full time. Half of part-timers work 80% or more of a full-time job. For example, only 0.7% of the workforce has a working time of less than 80% of a full-time employee. The French workforce is covered by the Syntec collective bargaining agreement (with the exception of the training entity), and is entitled to days off depending on the subsidiary employing them and their position: non-managerial and supervisory staff, managers on assignment, and managers with fixed-price contracts.

Teleworking

In 2023, teleworking was estimated to average 1.85 days per week (37%). It is used in a variety of ways, depending on the customer's function, business and constraints. Discussions are ongoing regarding possible new organizations. To date, no amendments have been made to teleworking agreements or charters, with the exception of one signed by the Group's consulting firm.

Compensation

In 2023, total gross compensation, up 11.2%, amounted to €273.6m (€246m in 2022).

This amount includes fixed and variable pay, provisions for paid leave and RTT leave, and €1.5 million in Value Sharing Bonuses (€1.4m in 2022). It does not include the social security contributions paid by the employer, nor statutory and optional profit sharing, the employer's contribution to meals and public transport passes, occupational health services, payments to works councils or, of course, the fees paid to subcontractors. Lastly, hiring subsidies received (mainly for work-study programs) are deducted from the “wages” item.

At 6,609 (6,088 in 2022), the average workforce is up 8.6%. The average gross annual salary stands at €41,400 (€40,400 in 2022).

Statutory profit sharing

In France, employees have access to statutory profit-sharing when their business unit meets the required conditions:

In thousands of euros	2019	2020	2021	2022	2023
Statutory profit sharing	3,890	3,380	5,822	8,508	8,656

Continuous in-house training

Training actions are decided by each subsidiary. They are mainly related to technical improvement but also concern management or foreign languages.

The Group has the opportunity to use its specialized entity to develop skills. One of the main players in France, and authorized by the largest vendors to issue qualifying certifications, this center carries out a significant part of the Group's technical training activities, including training future employees during long courses.

Training plan (days x participants):

2019	2020	2021	2022	2023
9,900	8,400	8,000	8,900	9,100

KPI

Training eligible for continuing vocational training in France and similar actions carried out internationally. Online and on-the-job training (business basics or client context) not included. 63,700 hours in 2023 (i.e., 9,100 days x 7 hours).

Retaining key men and women

Since 1999, six stock option plans and eight NEURONES bonus share plans have been implemented, for the benefit of key managers and executives. Since 2015, fourteen subsidiaries have launched bonus share plans involving their own shares. At the end of 2023, 235 employees or company officers (3.5% of the workforce) were shareholders either of their subsidiary or of NEURONES, or of both.

The expense related to bonus share plans in the consolidated financial statements is as follows (in thousands of euros):

2019	2020	2021	2022	2023
1,176	2,008	2,575	4,149	5,601

KPI

NEURONES and subsidiary plans Including 20% tax on bonus share plans.

Active in-house communications

Each line-of-business subsidiary has its own in-house communication tools (corporate social networks, in-house newsletters or magazines, briefing meetings or recreational gatherings), in addition to which there is the Group's in-house magazine (“Talents”) and formal welcome and presentation sessions for new hires. All the tools aim to integrate, and inform staff, to prevent anonymity and to foster exchanges.

Well-balanced average age

At the end of 2023, the average age of employees stood at 36.3 years, broken down as follows:

Workforce breakdown by age bracket	2019	2020	2021	2022	2023
less than 25 years	9.5%	9%	9.5%	9.5%	9%
25 to 29 years	21%	21%	21%	23%	22.5%
30 to 34 years	21%	19.5%	19.5%	18.5%	18.5%
35 to 39 years	16%	16%	15.5%	15%	15%
40 to 44 years	13%	14%	13.5%	13%	12%
45 to 49 years	10.5%	10%	10%	9%	10%
50+ years	9%	10.5%	11%	12%	13%
Total	100%	100%	100%	100%	100%
AVERAGE AGE	35.7	36.1	36.1	36	36.3

Company-wide agreements and action plans for employees over the age of 50 were introduced at the end of 2009. They have borne fruit since, at the end of 2023, the proportion of people aged 50 will have increased regularly and now represents 13% of the workforce.

Diversity and inclusion

NEURONES is keen to promote diversity in its teams in the broadest possible sense (gender, age, initial training and previous professional experience, disability, social and cultural origins, nationalities, etc.), as this is a guarantee of creativity and innovation. Ten Group entities have signed the Diversity Charter. The Group also strives to create a caring environment so that everyone feels valued and included.

Retraining

Various entities organize training courses open to people wishing to retrain in the digital sector, particularly within the framework of the Individual Operational Preparation for Employment (POEI) or Collective (POEC). These approaches make it possible to integrate more diverse profiles, initial training and professional backgrounds into the group.

Persons not in employment

The entity dedicated to supporting users has integrated into its recruitment procedures various measures aimed at guaranteeing equal opportunities for all applicants (Saphir method). Their application contributes to the fight against discrimination and should make it possible to integrate more people who are far from employment into the teams.

Disability

The Group is striving to be more “disabled-friendly”. By the end of 2023, it will have 2.9% disabled employees (2.2% by the end of 2022) in its workforce in France. Although this proportion is rising steadily, it remains insufficient.

In agreement with the clients concerned, GMEs (Groupements Momentanés d'Entreprises / Temporary Business Groups) associating NEURONES and partners from the protected and special facilities employment sector (Atimic, Arcesi, ATF Gaïa, iNET System, etc.) were set up for recurrent managed services contracts. At the end of 2023, they will enable us to call on ten employees from these establishments specifically set up to work with disabled staff (Entreprises Adaptées) on Group contracts.

In addition, purchases from AEs and ESATs (establishments specifically set up to work with disabled staff) amounted to €101,000 in 2023.

Gender equality

Although women are not well represented in engineering schools' IT courses, they make up 22.9% of the NEURONES' workforce in France (“Sage + Cegedim + Silae” scope). In the framework of the law on real gender equality, the Group's entities in France publish every year before March 31 their gender equality index (maximum value of 100, with the need to implement a multi-year action plan if the index is less than 75 for three consecutive years):

Calculation date March 1, 2024	2023 index
No. of entities	12
Highest index	100
Average index	89
Lowest index	79

At the end of 2023, the proportion of women in senior management will be 19.5% (executives and managers at levels n-1 and n-2 in relation to the Group's General Management). The proportion of women in the top 100 earners in 2022 is 14%.

In the Consulting segment, there is overall gender equality.

Internationally, the proportion of female employees is higher than in France (Romania: 65%, Tunisia: 50%, Singapore: 50%),

In 2023, the “manifesto for retraining women in the digital professions” (Numeum initiative) was signed by three entities.

Nationalities

The proportion of foreign employees in the French workforce is growing steadily:

	2019	2020	2021	2022	2023
% foreigners	9.9%	10.2%	10.5%	11.8%	13%
Number of nationalities represented (including France)	67	66	65	64	69

“Sage + Cegedim + Silae” scope.

Labor-management relations

In France, there is regular dialog with the employee representative bodies (CSE members, employee representatives, Trade union representatives and Group Committee members). Because of the Group's decentralized structure built around line-of-business subsidiaries, there are many collective agreements. For the two largest entities (65% of the workforce), the following agreements are in force: night work and on-call duty, teleworking, 35-hour week, profit-sharing, company savings plan (CSP). Every year the entities concerned organize the Mandatory Annual Pay Negotiation (NAO) process.

Consideration is being given to possible amendments to existing teleworking agreements, as well as the implementation of the sustainable mobility package (FMD).

Company-wide agreements

The user support unit has put in place additional specific agreements, including a disability agreement. In addition, employees who donate blood are entitled to two half-days of paid leave per year. Two additional days of paid leave for sick children are provided for employees who are parents of a disabled child. The “right to disconnect” has been clarified. The following agreements have also been set up: the regional fuel bonus, the meal voucher subsidy, the increase in the Company Works Council's social and cultural activities budget and the start of the 4-day workweek trial.

In Tunisia, a staff consultation commission was created in 2009. This joint labor-negotiations commission is made up of five Company representatives and five elected staff representatives. A staff representative has been appointed in Romania since 2013. In Singapore (31 employees at the end of 2023), there is no employee representation structure (no legal framework).

Health and safety at work

In France, the Occupational Health and Safety Committees (OHSC) of the various Group entities meet at regular intervals as required by law. They map the professional risks and take preventive measures (information, signage and drills) in close cooperation with the occupational health service. Awareness building workshops on workstation ergonomics are organized regularly. Different psycho-social risk prevention measures were also taken: training of middle management and strengthening procedures for isolated workers. In tertiary businesses, the main known risk remains road accidents (especially for employees riding two-wheeled vehicles) with private or company vehicles (commuting or business travel).

Indicators	2019	2020	2021	2022	2023
Absenteeism rate* KPI	5.2%	5.9%	5.8%	6.1%	6.2%
Number of accidents at work resulting in lost time (one day or more)	62	36	29	55	26
Corresponding number of lost days	735	1,009	906	1,162	1,229
Lost-time injury frequency rate (number of occupational lost-time accidents per million hours worked)	9.5	5.3	4.2	7.5	3.4
Lost-time injury severity rate (number of days of paid sick leave per thousand hours worked)	0.11	0.15	0.13	0.16	0.16

* Number of days absent (illness, medical leave, accidents at work and on the way to work, sick leave for children, relocation and family events, maternity and paternity leave, unpaid and administrative absences) in relation to the theoretical number of working days. All of the data in this table is for the "Sage + Cegedim + Silae" scope. Absences, spanning two fiscal years, are not included in the calculation of the absenteeism rate.

Promotion of the practice of physical activities and sports

The Group contributes financially to various sporting events: the Parisienne race, various other solidarity races, an annual futsal tournament and, for several years now, a soccer team in the "business league" (a league dedicated to companies, consulting and DSC divisions).

2.5. ETHICS AND COMPLIANCE

Promotion of and compliance with ILO (International Labor Organization) conventions

NEURONES is committed to abiding by the ILO Declaration on Fundamental Principles and Rights at Work. This declaration concerns the national and local labor regulations on the following subjects; minimum age for entering the workforce, the refusal of forced or compulsory labor or abusive disciplinary practices, non-discrimination, freedom of association and the right to collective bargaining, working hours, pay, health and safety.

In Tunisia, Romania and Singapore the weekly workweek is 40 hours. In these three countries, the employees benefit from supplementary health insurance financed by the Group. The youngest employees are 20 years old, as in France.

Prevention of corruption

Since June 1, 2017, NEURONES has implemented the eight measures provided for by the Sapin II law concerning the fight against corruption and influence peddling. In particular, a code of conduct has been disseminated and integrated in the policies and procedures of the Group entities. A risk map has been drawn up and an e-learning module has been made available.

An internal alert system has been created with a specific email address distributed to all staff. This email address is included in the contracts signed with sub-contractors and other suppliers, as well as with certain clients. It is also disseminated each month during presentations to new arrivals. Every year, the Ethics and Compliance Committee presents the Board of Directors with a progress report on the approach and a report on any alerts:

	2019	2020	2021	2022	2023
Corruption alerts*	0	0	0	1	0
Percentage of employees aware of the issue**				60%	60%

* Proven cases and requests in advance on the attitude to adopt in a given situation.
** Entity supporting users, business and pre-sales scope, % having followed the online training on the company's learning lab.

Prevention of anti-competitive practices: competitive agreement

Senior executives in businesses with significant market shares with a limited number of competitors have been put on notice. The activities currently concerned are the following: service desk, restoration of information systems after cyber attacks, development and TMA of information systems for professional training management bodies (Opco).

Fight against tax evasion

For each French Research Tax Credit (CIR) application, a specialized firm checks its eligibility beforehand and afterwards all the documentation produced.

Each time a foreign subsidiary is created, NEURONES, assisted by a leading specialized firm, defines and documents the rules used to fix the internal transfer prices.

2.6. COMMUNITY POLICY

NEURONES is keenly aware of being part of an ecosystem of stakeholders with whom it is duty-bound to establish balanced, ethical, law-abiding and motivating relations. The Group owes its past and future achievements to: its staff, clients, subcontractors and other suppliers, editors, manufacturers, schools, the French government and local authorities, civil society and shareholders.

Sub-contractors and suppliers, responsible purchasing

For several years now, the proportion of business carried out by subcontractors has been rising steadily. In 2023, subcontracting purchases amounted to €205 million (compared with €177 million in 2022, i.e., +15.8%).

The Group strives to make responsible purchases. External contributors, integrated into NEURONES teams, are considered in the same way as internal employees. Self-employed contractors enjoy special payment terms: their invoices are paid at 30 days at the end of the month.

In ISO 9001-certified subsidiaries, subcontractors who exceed certain services volume thresholds are assessed formally. These subcontractors are made aware of CSER and part of their score depends on it.

	2019	2020	2021	2022	2023
% of suppliers who have signed the responsible purchasing charter	n/a	n/a	n/a	63%	75%

Source: Provigis. Scope: "User support" entity, France base: 185 suppliers.

The entity specialized in user support signed the "responsible supplier relations and purchasing charter" (National Purchasing Council).

Relations with educational establishments

Attracting talent is a key issue for the Group, which continues to invest in building its reputation and becoming an employer of choice. Within this framework, the development of relationships with a defined group of schools and universities is at the heart of its strategy:

- the Group uses the apprenticeship tax to finance target schools,
- it runs various initiatives to support students and recent graduates (seminars, forums, job interview practice sessions, resume workshops, sponsorship, etc.),
- it spots and hires interns, apprentices and recent graduates.

In France, the Group primarily channels its apprenticeship tax to the following schools: Centrale Lille, Ece, Efrei, Em Strasbourg, Ensiee, Epita, Esg Management School, Esiea, Esiee, Esigetel, Esilv, Ingesup, InTechInfo, Isep, Itic, Mines d'Alès, Mines de Paris, Supinfo, Telecom Paritech and Utc Compiègne.

"Great Place to Work", "Happy at Work"

In 2023, one subsidiary was awarded the "Happy at Work" label.

One company in the Group has been awarded the "Great Place to Work" label seven times ("a great place to work is a place where you trust your leaders, you are proud of your work and you value your colleagues." - Robert Levering, co-founder of "Great Place to Work"). It was also included in the "Best Workplaces for Women" list.

Volunteering with civil society

Initiatives of those who wish to get involved in their local environment or with associations (Handigolf, co-financing a skipper for the "Route du rhum", etc.) and give of their time and creativity are encouraged.

Indicator *(in thousands of euros)*	2019	2020	2021	2022	2023
Budget devoted to partnerships and sponsorships	270	233	348	331	270

Skills sponsorships, a scheme that was established by the French Aillagon law in 2003, allows a business to delegate staff members to work for public-interest non-profit associations during their working hours on an occasional basis, either free of charge or at a discounted rate.

In this mode, the Consulting division supports two associations:

- the first one assists social entrepreneurs scope and implement their projects (consultants coach entrepreneurs),
- the second one supports young people from disadvantaged neighborhoods in their search for their first job (mentoring by experienced managers).

"Non-profit" consulting firm

Drawing on the success of the skills sponsorship, the Group Consulting firm helped create a non-profit structure devoted to supporting associations, along with three fellow companies. Since then, each year, several consultants are made available to this "non-profit" firm, on a full-time basis and for about six months.

"Société à mission" (purpose-driven Company), B Corp certification

In 2021, the Group's consulting firm qualified as a "société à mission" (purpose-driven company), a possibility opened up by the Pacte law. In its by-laws, it has declared its purpose through several social and environmental objectives. It established a purpose committee composed of internal and external members. From 2022 onwards, the mission report will be produced and validated by an independent third-party organization (OTI).

It has also obtained the "B Corp" certification (Benefit Corporation - over 300 companies certified in France by the end of 2023), which is awarded to companies that reconcile profit and collective interest. This certification will be audited regularly.

Personal data security

The Group works on client applications that manage personal data (bank or health related data, email in-boxes, etc.) In most cases, it undertakes contractually to ensure the confidentiality and integrity of this data. Pursuant to the legislation in force, the internal procedures define the security rules and set out the rare cases where a Group employee is entitled to access personal data.

Since May 2018, the (European) General Data Protection Regulation (GDPR) has been applied. It also concerns customer (CRM) and employee data.

EcoVadis, Gaïa

NEURONES participates annually in the EcoVadis CSER surveys, which helps purchasing departments to evaluate the "sustainable development" performance of their suppliers.

Gaïa evaluates listed groups on ESG criteria (Environment, Social and Governance) for financial managers and analysts. NEURONES answers its questionnaire annually.

2.7 ENVIRONMENTAL POLICY

As part of its social and environmental responsibility approach, NEURONES has thought about its impact on the environment and the best ways to reduce it. In this area, it is a matter of measuring and then acting.

Carbon footprint

Since 2019, the Group has published its carbon footprint on the ADEME (French Environment and Energy Management Agency) website, which shows the following proportions for each type of emission:

Cat.*	Emission types	2019	2020	2021	2022	2023
1	Group-owned gasoline vehicles	8%	10%	10%	9%	10%
2	Electricity for premises excluding data centers	9%	19%	15%	14%	14%
2	Electricity in data centers	12%	23%	21%	16%	18%
3	Commuting to and from work (car, public transport)	57%	25%	35%	39%	36%
3	Business travel (mileage allowance, plane, train, cab)	5%	6%	4%	9%	8%
3	Travel of candidates, visitors and clients	n.s.	n.s.	n.s.	n.s.	n.s.
4	Waste	n.s.	n.s.	n.s.	n.s.	n.s.
6	Internal IT (including paper)	4%	7%	6%	5%	6%
6	Internet, Cloud services, SaaS	5%	10%	9%	8%	8%
6	Outgoing mail	n.s.	n.s.	n.s.	n.s.	n.s.
	TOTAL	100%	100%	100%	100%	100%
	Total metric tons CO_2 equivalent	6,495	3,712	4,516	5,332	5,112
	metric tons CO_2 equivalent per employee	1.20	0.68	0.77	0.88	0.77
	per million euros of revenues	12.7	7.1	7.9	8	6.9

* ADEME classification by categories of greenhouse gas emissions: 1. direct emissions, 2. indirect energy, 3. indirect transport, 4. indirect products purchased, 5. indirect products sold, 6. other indirect emissions.

In 2020 and 2021, some emissions have decreased due to lockdown periods and the widespread teleworking that was imposed. While 2022 and 2023 mark a certain "return to normal", they cannot be compared with 2019, as the widespread adoption of teleworking has since become standard practice.

Even if the action plans are primarily aimed at limiting gross emissions, it would be necessary to plant approximately 32 trees per employee per year to "offset" emissions (source Ecotree: 20 trees to be planted per metric ton of CO_2 equivalent). Under two client contracts, CDC Biodiversité was paid a significant amount for the "Nature 2050" program. This contribution (2022 and 2023) allows us to maintain 0.16 hectares of nature reserves until 2050. In 2023, the user support entity had 300 oak trees planted in France via Ecotree.

The carbon footprint will be progressively refined, with the aim of calculating carbon footprints per contract.

Reduced travel costs (home-work commuting, business)

Travel (home-work commuting, business) is the largest source of CO_2 emissions for the Group, accounting for 54% of the total carbon footprint.

Consequently, NEURONES has:
- started systematically using "place of residence" data in its team assignment systems for each project. This means that, as far as possible, it recruits in labor market areas close to its service centers to limit daily commutes,
- since 2007, it has favored Eco2 company cars, which emit less than 120g of CO_2 per kilometer,
- set up a carpooling system (Angers and Lille service centers).

(in tons CO_2e)	2019	2020	2021	2022	2023
Emissions for commuter journeys by car or motorbike	3,163	922	1,580	2,049	1,835
Home-work commuting by public transport	n/a	n/a	28	36	62
Emissions from NEURONES' vehicle fleet	516	376	448	470	501
Emissions for work travel by car and motorcycle reimbursed on expense accounts	206	117	94	160	150
Business travel by air	n/a	n/a	88	287	191
Business travel by train	n/a	n/a	2	6	6
Business travel by taxi	n/a	n/a	2	3	3

Scope: France until 2022, worldwide in 2023. The proportion of employees using public transportation was assessed in January 2023 (survey below).

The breakdown of employees' place of residence in the Paris region (55% of total employees) is as follows:

Ile-de-France département	92	75, 78	77, 91, 93, 94, 95
% place of residence by département	20%	15%	10% on average

Carpooling project and cyclist bonuses

For several years, the Angers site has encouraged carpooling. Parking spaces in the vicinity of the offices are reserved for employees who undertake to use this mode of transport. This scheme currently involves about ten pairs. Furthermore, a bonus was paid to some 40 employees who commute to work by bicycle. This bonus will be integrated into the future more comprehensive sustainable mobility bonus.

To assess the consumption corresponding to home-workplace journeys, the January 2024 internal survey (worldwide scope, 1,950 respondents or 30%) on the modes of transport used provided the following information:

Mode of transport commute to and from work	Greater Paris region	Other French regions	Other	Total
Public transit	70.3%	38.9%	28.4%	52.2%
Car	16.7%	38%	38.5%	27.9%
Motorbike	4.5%	2.2%	1.8%	3.2%
Walking	2.7 %	12.6%	23%	9.7%
Cycling	3.4%	5.4%	2%	3.8%
Other*	2.4%	2.9%	6.3%	3.2%
TOTAL	100%	100%	100%	100%

Scope: World.
* Other: carpooling, electric bike or scooter, single-wheeler, 100% teleworking.

The survey concludes that the average distance travelled by cars and motorcycles to get from home to their usual place of work is 22 kilometers (one way), and that the average fuel consumption of private cars is 7 liters/100 km, while that of motorcycles is 4.75 liters/100 km. Electric cars account for 9% of all cars used. Electric two-wheelers account for 22% of all two-wheelers.

The consumption of the 274 vehicles in NEURONES' fleet was calculated based on an average consumption per fleet vehicle of 6 liters/100 km and 12,000 km traveled in 2023. For business travel, 2,050 km are reimbursed on average per year and per employee concerned.

Consumption linked to visitor travel has not been estimated.

Adoption of a lower CO_2 emitting diet

For the sake of consistency with published carbon footprints, lunch (in 2023, 2,235 tons CO_2e) has been considered as outside the scope of the Group's activities. Like the rest of the French population, the Group's employees have been made aware of the issue and should gradually adopt a diet that emits less CO_2, e.g., less meat.

Energy efficiency of buildings

Low-energy consumption systems have been installed, such as LED lighting, individually-adjustable energy-efficient air conditioning, presence detectors, etc.

Indicators	2019	2020	2021	2022	2023
Electricity consumption per m^2 and per year (apart from data centers) *(in kWh/m^2)*	130	130	130	130	130
Surface used *(in m^2)*	34,900	36,050	36,100	37,800	40,200
CO2 emissions *(tons CO_2e)*	585	708	666	767	716

* Since 2018, the electricity consumption per m^2 is estimated flatly at 130 kWh/m^2 (based on the latest measurement from 2017).
Use of the ADEME emission factors. In France, a MWh corresponds to 82 kg of CO_2. In Tunisia, at 463 kg of CO_2. In Romania, at 413 kg of CO_2. In Singapore, at 499 kg of CO_2. In Germany, at 461 kg of CO_2.

The consumption of teams on client premises is considered as being managed by the clients.

Electricity consumption of data centers

The Group has placed the servers it manages on behalf of its clients and for its own account with "dry hosting" specialists. Thus, almost all of the managed servers are located at six "Tier 3+" hosting partners and in eleven separate data centers. The useful life of servers and equipment has been extended from 3 to 6 years.

CSER criteria were integrated and led to the choice of different hosting subcontractors (mostly ISO 14001 and 50001) offering efficient PUE (Power Usage Effectiveness – see glossary) ratios in the range of 1.4 to 1.5 in target (at full load, with an average year's weather). NEURONES strives to give priority to the latest generation data centers, which normally offer better PUEs, and seeks to regularly increase the load factors of its cabinets. The main hardware suppliers (IBM and Cisco) are also ISO 14001.

Indicators	2019	2020	2021	2022	2023
Number of cabinets "switched on" (entire Group)	186	189	201	212	214
Real average power per cabinet *(in kW)*	2.78	3.11	3.18	2.73	2.92
Average PUE	1.67	1.64	1.62	1.66	1.67
Total consumption (after PUE) *(in MWh)*	7,552	8,576	9,495	8,478	9,156
CO_2 emissions *(in tons CO_2e)*	779	864	956	862	930

Use of the ADEME emission factors.
In France, a MWh corresponds to 82 kg of CO_2. In Tunisia, at 463 kg of CO_2.

The Group asked its various hosts for assessments of their PUE on a center-by-center basis. The latter did reply in writing, but in a rather approximate manner. The estimated consumption of the data centers is therefore presented for information purposes. The proportions of "energy from renewable sources" announced by the hosts, all very high, do not correspond to a sufficiently clear and common definition to be published.

Responsible digital technology, digital sobriety, ecodesign, equipment sustainability

For as long as the digital industry has existed, it has been driven primarily by the inflation of processing power and data storage capabilities. Nevertheless, the first attempts at greater digital sobriety are taking place on the market, particularly with regard to the "ecodesign of applications". For example, for institutional websites, measurements of the environmental performance of the pages (EcoIndex) and of the respect of the general referential of improvement of accessibility (RGAA version 4) have been carried out. Initial energy efficiency measurements of applications have also been conducted.

The Group is striving to increase the time of use of its computer equipment (sometimes up to 7 years) and cell phones. A longer equipment life cycle does not change consumption but it does allow for a better reduction of the carbon footprint associated with its manufacture.

At the end of 2023, four entities signed the "Planet Tech'Care" manifesto (Numeum). Six "climate fresco" workshops were held. One entity made available to its employees a MOOC to raise awareness of digital responsibility (58% of employees successfully passed the test to validate the knowledge acquired at the end of this MOOC).

Recycling: paper, computer workstations, ink cartridges

The recycling of consumables (printer toners, electric batteries, etc.) has been in place for several years. Consistent with the current rules (concerning Electric and Electronic Equipment Waste), at the end of its life computer hardware is sold to accredited brokers or given to associations (like "la Gerbe").

More than 90% of customer and supplier invoices are paperless.

Furthermore, printers and copiers are set up to print two-sided in black and white. Growing use is made of digitized archiving, especially by sales administration and accounting teams, rather than hard-copy files. The use of networked scanners, which is becoming widespread, contributes to the drop in the number of photocopies. All of these actions, along with the shift to new uses and teleworking, have contributed to a strong and steady reduction in printing volumes:

Indicators	2019	2020	2021	2022	2023
Amount of paper consumed per m^2 per year *(in g/m^2)*	239	159	177	145	89
Emissions *(tons CO_2e)*	7.5	5.2	5.9	5	3.3

Waste sorting

The selective sorting of office waste (Lemon Tri, Elise network, etc.), the use of mugs and paper cups are becoming widespread.

2.8. GREEN TAXONOMY

The Taxonomy regulation (EU regulation 2020/852) is one of the measures of the European Union's action plan (included in its "Green Deal", a set of initiatives aimed at achieving carbon neutrality by 2050). Green Taxonomy, specified by delegated acts published in the Official Journal of the European Union in December 2021, establishes a standardized classification system of economic activities and distinguishes those that can be considered environmentally "sustainable".

Those that are considered "eligible" must contribute substantially to one of the following two environmental objectives:
- climate change mitigation,
- climate change adaptation.

There are four other objectives (sustainable use and protection of aquatic and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems) that have not been considered by the group in 2023.

An activity is considered "sustainable" or "aligned" to the taxonomy if it:
- Is part of the list of activities defined in the delegated acts: Annex 1 (mitigation) or Annex 2 (adaptation),
- contributes to one of the six environmental objectives,
- is consistent with the criteria of substantial contribution to climate change mitigation or adaptation,
- does not cause significant harm (DSNH "Does Not Significantly Harm") to any of the other environmental objectives,
- is carried out in compliance with fundamental rights ("minimum guarantees"): human rights (including labor rights), business ethics and anti-corruption, protection against unfair competition, and tax compliance.

The proportion of "eligible" and then "aligned" activities is analyzed along three axes:
- revenues,
- investments (Capex),
- operating expenses (Opex).

In 2021, NEURONES published these indicators for "eligible" activities. Since 2022, "eligible" and "aligned" activities have been published. In this third year of publication, the group is not in a position to ensure that it has a complete understanding of the classification of the Taxonomy regulation and the alignment criteria, nor that the classification it has adopted is in harmony with that of its colleagues.

Revenues indicator

Activity "8.1. Data processing, hosting and related activities"

For its private cloud infrastructure services (IaaS), the Group sub-contracts hosting to external third parties. These activities would be "eligible" if the Group had complete control over the specifications for the equipment and rooms. In this case, this is indeed the case for the IT equipment. However, it is the hosting company that is in charge of air conditioning, electrical backup, fire safety and access control. In 2023,and previous years, these activities have therefore been considered as "non-eligible".

In addition, the three main hosting companies use conventional refrigerants with a global warming potential (GWP) greater than 675. Therefore, not meeting the substantial contribution criterion, these activities would not be "aligned" in all cases.

Activity "8.2. Data-driven Solutions for GHG Emission Reductions"

The following activities have been selected as eligible:
- BPM and dematerialization projects for incoming and outgoing documents,
- consulting missions in energy, water and waste treatment related to the low-carbon transition,

To evaluate its aligned activities, the Group has selected the missions carried out for the vertical markets of energy, transport and the public sector. The main objective of this custom work and development is to obtain data and analysis to reduce GHG emissions. A mission-by-mission assessment has been launched. It has not been completed at the time of writing, in particular because it is difficult to obtain communication from clients of the reductions in GHG emissions actually achieved as a result of the projects carried out by the group.

As described in this report, the minimum guarantees are respected (human rights, including labor rights, business ethics and the fight against corruption, protection against unfair competition, compliance with tax laws), see paragraph 2.5.

Accordingly, for 2023, the Group has selected as aligned activities two missions with total revenues of €0.355m:
- support for a project to electrify the vehicle fleet of a major energy grid operator,
- strategic scoping of a second energy network operator's fleet transition to low and very low emission vehicles.

Capex indicator

Total capital expenditure for NEURONES in 2023 (€23.7m) is calculated on the basis of increases in assets. They include tangible and intangible assets (software licenses) and new rights of use for the year (€5.7m).

Activity "6.5. Motorcycle, passenger car and light commercial vehicle transport"

During the year, a new plug-in hybrid company vehicle was acquired (under a lease with purchase option), meeting the substantial contribution criterion since it emits less than 50g CO_2/km.

The leasing partner has provided the necessary DSNH guarantees:
- transition to a circular economy: recycling of batteries and electronics at the end of their life cycle,
- pollution prevention: emissions below the thresholds, rolling noise of compliant tires.

Described in this report, the minimum guarantees are respected, see paragraph 2.5.

Activity "7.7. Acquisition and ownership of buildings" (rights of use for leases)

Requests for energy performance certificates (EPCs) have been made to the various lessors for new leases during the year. The returns are still incomplete. To date, the Group has not received any EPCs with at least an A rating. Nor has it been demonstrated that any of the leased premises are among the top 15% of the regional or national building stock in terms of energy consumption.

Consequently, for the 2023 financial year and pending more reliable information, the share of Capex aligned to this activity is 0%.

Opex indicator

The regulation requires reporting eligible and aligned operating expenses to the following operating expenses: research and development costs, building renovation costs, asset maintenance and repair costs.

For Consulting and Digital Services companies, the main expense items are, by far, salaries and subcontracting (around 90% of total expenses). The scope of expenses to be analyzed under the regulation represents only €8.1 million in 2023, or approximately 1.2% of the Group's total OPEX.

The decision was therefore taken, as for the 2021 and 2022 reporting, to take advantage of the materiality exemption provided for in the European regulation for operating expenses. The numerator representing eligible Opex activities is therefore equal to zero, compared to a denominator of €8.1 million.

The revenue, Capex and Opex indicators are shown in the tables on the following three pages, in the format required by the European Union's Taxonomy regulation.

REVENUES INDICATOR 2023

				Substantial contribution criteria						Criteria for absence of significant harm (DNSH*)									
	Codes	Revenues *(in millions of euros)*	Share of revenues	CCM - Climate Change Mitigation	CCA - Climate Change Adaptation	WTR - Water	CE - Circular economy	PPC - Pollution	BIO - Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum guarantees	Share of revenues aligned with/eligible for taxonomy in year n-1	“Enabling activity” category (H)	“Transitional activity” category (T)
Economic activities																			
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Data-driven Solutions for GHG emission reductions	CCM 8.2	0.35	0.05%	yes	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	yes	N/A	yes	N/A	N/A	yes	0.1%	H	
Revenues from environmentally sustainable activities (aligned with taxonomy) (A.1)		**0.35**	**0.05%**														**0.1%**		
of which enabling		0.35	0.05%	100%	0%	0%	0%	0%	0%									H	
of which transitional		0	0%																T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
Data-driven Solutions for GHG emission reductions	CCM 8.2	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.1%		
Revenues from taxonomy-eligible but environmentally unsustainable activities (not aligned with the taxonomy) (A.2)		**19.55**	**2.65%**														**3.1%**		
TOTAL (A.1 + A.2)		19.9	2.7%														3.2%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Revenues from activities not eligible for taxonomy (B)		721.3	97.3%														96.8%		
TOTAL (A + B)		741.2	100%														100%		

* DNSH : Does Not Significantly Harm.

	Share of revenues / total revenues	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.05%	2.7 %
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CAPEX INDICATOR 2023

Economic activities	Codes	Capex *(in millions of euros)*	Share of Capex	Substantial contribution criteria: CCM - Climate Change Mitigation	CCA - Climate Change Adaptation	WTR - Water	CE - Circular economy	PPC - Pollution	BIO - Biodiversity	Criteria for absence of significant harm (DNSH*): Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum guarantees	Share of Capex aligned with/eligible for taxonomy in year n-1	“Enabling activity” category (H)	“Transitional activity” category (T)
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Motorcycle, passenger car and light commercial vehicle transport”	CCM 6.5/ CCA 6.5	0.1	0.4%	yes	no	N/EL	N/EL	N/EL	N/EL	N/A	no	N/A	yes	yes	N/A	yes	0.6%		T
Capex from environmentally sustainable activities (aligned with taxonomy) (A.1)		**0.1**	**0.4%**														**0.6%**		
of which enabling																		H	
of which transitional			0.4%	0.4%															T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
Motorcycle, passenger car and light commercial vehicle transport”	CCM 6.5/ CCA 6.5	0.3	1.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.5%		
Acquisition and ownership of buildings	CCM 7.7/ CCA 7.7	5.7	24%	EL	EL	N/EL	N/EL	N/EL	N/EL								41.6%		
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		**6**	**25.3%**														**43.1%**		
TOTAL (A.1 + A.2)		**6.1**	**25.7%**														**43.7%**		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Capex of activities not eligible for the taxonomy (B)		**17.6**	**74.3%**														**56.3%**		
TOTAL (A + B)		**19.7**	**100%**														**100%**		

* DNSH : Does Not Significantly Harm.

	Share of revenues / total revenues	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0.4%	25.7%
CCA	0%	25.7%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

OPEX INDICATOR
2023

Economic activities	Codes	Opex *(in millions of euros)*	Share of Opex	Substantial contribution criteria: CCM - Climate Change Mitigation	CCA - Climate Change Adaptation	WTR - Water	CE - Circular economy	PPC - Pollution	BIO - Biodiversity	Criteria for absence of significant harm (DNSH*): Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum guarantees	Share of Opex aligned with/eligible for taxonomy in year n-1	"Enabling activity" category (H)	"Transitional activity" category (T)
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1. Environmentally sustainable activities (aligned with taxonomy)																			
Opex environmentally sustainable activities (aligned with taxonomy) (A.1)		0	0%														0%		
of which enabling																		H	
of which transitional																			T
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																			
Opex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2)		0	0 %														0 %		
TOTAL (A.1 + A.2)		0	0%														0%		
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Opex of activities not eligible for the taxonomy (B)		8.1	100%														100%		
TOTAL (A + B)		8.1	100%														100%		

* DNSH : Does Not Significantly Harm.

Share of revenues / total revenues	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

2.9. METHODS USED

Reporting scopes

Three scopes have been defined for producing detailed indicators:
- the “Sage + Cegedim + Silae” scope concerning the subsidiaries in France (all but five), using Sage, Cegedim and Silae HR software, i.e., 77% of the workforce,
- the “France“ scope covering 83% of the workforce,
- the entire Group scope (“Group”).

Indicators were produced for the following scopes:
- “Sage + Cegedim + Silae” scope: rate of permanent contracts, average age, distribution by age range, percentage of seniors, foreigners, number of nationalities, distribution by gender, proportion of full-time jobs, absenteeism rate, frequency and severity of work-related accidents, proportion of employees using public transportation,
- “France” scope: number of apprenticeship contracts, professionalization contracts, internships, proportion of disabled employees, purchases from organizations set up to work specifically with disabled staff, number of school job fairs, sponsorship and fuel consumption,
- “Group” scope: staff, arriving/departing employees, turnover, payroll, average salary, subcontracting purchases, training hours and days, sponsorship and partnership budgets, energy consumption in offices and data centers and weight of paper consumed per m^2 of office space.

Departures broken down by reason for departure (resignations, dismissals, etc.) are available in detail in the “Sage + Cegedim + Silae” scope. This subset was extrapolated to the entire group.

Since 2020, the definition of absenteeism has been modified by adding certain absence headings to the numerator (medical leave, maternity, paternity, commuting accidents, relocation, unpaid absences, administrative absences). Historical rates have been corrected to be comparable.

The energy consumption in the data centers was obtained from the available data:
- either the average power in kW per cabinet (before PUE),
- or the kWH consumed by all the cabinets (before PUE).

The regional, economic and social impact of the business and the recycling of Waste Electrical and Electronic Equipment (WEEE) were analyzed for the France scope.

Sources and tools used

The indicators for the “Sage + Cegedim + Silae“ scope are derived from these three HR information systems. The “France” and “Group” scope indicators come from an annual consolidation of each subsidiary's non-integrated accounting and CSER data.

Consolidation and control methods

A common reference guide (methodological guide with an explanatory sheet per indicator) was sent to the CSER reporting manager for each subsidiary. The Group finance department compiles the results.

2.10. AUDITOR'S OPINION

Report by one of the statutory auditors, designated as an independent third party, on the Consolidated Extra-Financial Performance Statement.

Year ended December 31, 2023

To the shareholders,

In our capacity as statutory auditors of your company (hereinafter referred to as "entity"), designated as an independent third-party body, accredited by the COFRAC Inspection under number 3-1873 (scope of accreditation available on the website www.cofrac.fr), we have performed procedures designed to provide a reasoned opinion expressing a moderate level of assurance on the historical information (observed or extrapolated) of the consolidated extra-financial performance statement, prepared in accordance with the procedures of the entity (hereinafter referred to as the "Reporting Criteria") for the financial year ended December 31, 2023 (hereinafter referred to as the "Information" and the "Statement" respectively, and which is presented in the Group's management report in application of the provisions of Articles L. 225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

1. Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on the information we obtained, nothing has come to our attention that causes us to believe that the consolidated statement of non-financial performance is not in compliance with the applicable regulations and that the information, taken as a whole, is presented fairly in accordance with the Standards.

2. Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment: the lack of objectives concerning the main risks doesn't make it easy to understand the Group's non-financial performance.

3. Preparation of the extra-financial performance statement

The lack of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Reporting Criteria, the significant elements of which are presented in the Statement.

4. Limitations inherent in the preparation of information

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used in its preparation and presented in the Statement.

5. Company's responsibility

It is the responsibility of management to:
- select or establish appropriate criteria for the preparation of Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- prepare the Statement by applying the Entity's Baseline as mentioned above.
- implement the internal control procedures it deems necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

The Statement has been drawn up by the Board of Directors.

6. Responsibility of the auditor appointed as an independent third party

On the basis of our work, it is our responsibility to express a conclusion of limited assurance on:
- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the accuracy of the historical information provided pursuant to 3° of I and II of article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

It is not our place to comment on:
- the entity's compliance with other applicable legal and regulatory provisions (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the accuracy of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

7. Regulatory provisions and applicable professional doctrine

We conducted our work described below in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this type of engagement and BM&A's own procedures, which serve as a basis for our audit.

8. Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code, the Code of Ethics of the profession of statutory auditor and the provisions of ISO 17029. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this activity, and the ISO 17029 standard.

9. Means and resources

Our work mobilized the skills of four people and took place between February and April 2024 over a total intervention period of two weeks.

We conducted three interviews with the people responsible for preparing the Statement.

10. Nature and scope of our work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we conducted in the exercise of our professional judgment enable us to provide a moderate level of assurance conclusion:

- we have reviewed the activities of all the companies included in the scope of consolidation and the description of the main risks;
- we assessed the appropriateness of the Reporting Criteria with respect to their relevance, completeness, reliability, neutrality and comprehensibility, taking into account, where appropriate, industry best practices;
- we have verified that the Statement covers each category of information required by Article L. 225-102-1 in terms of social and environmental issues, respect for human rights and the fight against corruption and tax evasion and includes, where applicable, an explanation of the reasons for the absence of the information required by paragraph 2 of III of Article L.225-102-1 of the French Commercial Code;
- we have verified that the Statement presents the information required under II of Article R. 225-105 where relevant to the principal risks;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and;
  - corroborate the qualitative information (actions and results) that we considered most important. Our work was carried out at the level of the consolidating entity and a selection of entities;
- we have verified that the Statement covers the consolidated perimeter, i.e., all the entities included in the scope of consolidation in accordance with Article L. 233-16 with the limits specified in the Statement;
- we reviewed the internal control and risk management procedures implemented by the entity and assessed the process for collecting information to ensure that it is complete and accurate;
- for the key performance indicators and other quantitative results that we considered most important, we implemented:
  - analytical procedures involving verifying that the collected data was consolidated correctly and that the trends were consistent;
  - detailed testing on the basis of surveys or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out with a selection of contributing entities(1) and covers between 30% and 100% of the consolidated key performance indicators and between 37% and 43% of the other consolidated data selected for these tests;
- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes; a higher level of assurance would have required more extensive audit work.

One of the auditors

Done in Paris, April 25, 2024

BM&A

Marie-Cécile Moinier
Members of the Compagnie régionale de Paris (Institute of Statutory Auditors)

(1) Helpline Neurones IT and NEURONES S.A.

Quantitative information	Qualitative information
• Active recruitment policy (number of new hires), • Employee turnover rate, • Sustained in-house training (training: days x number of trainees), • Expense related to bonus share plans, • Absenteeism rate • Staff, • Average age, • Diversity and inclusion (number of nationalities represented, • % foreign employees, % women in the workforce).	• Minutes of the Sustainable Development Committee meeting • Gender equality (signatory of the manifesto for the retraining • of women in the digital sector). • Relations with educational establishments (“Happy at Work“ award 2023). • Carbon footprint (planting of 300 oak trees in France via Ecotree). • Digital responsibility (signatories of the “Planet Tech'Care“ manifesto).

❸ Risks

3.1. MAIN RISKS, CONTROL AND MANAGEMENT MEASURES

Taking calculated risks is a voluntary and necessary action that characterizes companies. In order to grow with reasonable assurance of operational, legal, financial and accounting security, NEURONES has implemented risk management based on procedures, methods and tools.

Consequently, a formalized statement of risks that could have a material adverse effect on the business, financial position or results of operations has been drawn up. The Board of Directors reviews this mapping annually.

It does not cover geopolitical, social or health events or, more generally, those affecting the entire economy of the countries in which the Group operates.

For each threat, a probability of occurrence and a potential impact are assessed. As part of its risk management approach, the Company regularly reassesses all of the risks it is exposed to, their raw criticality and takes measures to reduce the probability of their occurrence and their consequences, by implementing internal control, as well as specific action plans.

The risk factors, presented below, are those which the Group considers to be the most important in terms of net criticality:

Family of risks	Risk	Probability	Impact	Criticality
Related to the business	**Recruiting and retaining staff**	**4**	**3**	**12**
	Departure of key staff	**3**	**4**	**12**
	Non-compliance with a contractual commitment	**4**	**3**	**12**
	Human error in the performance of a service	**2**	**4**	**8**
	Non-compliance with a client's specific instructions	2	2	4
	Theft of equipment belonging to third parties	2	2	4
	Outstanding payments	2	2	4
	Acquisitions	1	4	4
Financials (IFRS7)	Credit	1	4	4
	Liquidity	0	4	0
	Market (interest rate, foreign exchange, equity market investments)	1	1	1
	Capital management	0	4	0
Digital	**Cyberattacks with unavailability of the Production Information System and/or loss of data**	**4**	**3**	**12**
	Bank transfer fraud	4	1	4
Environmental and societal	Ethics: corruption, influence peddling	2	3	6
	Anti-competitive practices: price fixing	1	4	4
Fiscal and regulatory	Interpretation of laws and regulations	1	2	2

Probability of occurrence: 4 = significant, 3 = occasional, 2 = low, 1 = very low
Impact: 4 = severe, 3 = significant, 2 = mild, 1 = negligible
Criticality = Probability x Impact. The higher the number, the more critical it is.

The main risks identified are shown in bold in the table above.

Business risks

Risks associated with recruiting and retaining staff

The Group cannot guarantee that it will be able to recruit and retain the consultants, engineers and technicians it needs to achieve its objectives, especially if a critical shortage of executives occurs. Despite staff turnover, which remains high in the profession, NEURONES has so far proven its ability to grow its teams (without overly relaxing its recruitment criteria), even in particularly difficult recruitment periods.

Numerous actions to improve staff retention and the company's attractiveness are being implemented (as described in Chapter 2 above). As in most consulting firms and DSCs, the Human Resources and Sales Departments have significant resources, aimed at both recruitment and employee retention.

Risks related to the departure of key staff

Key staff refers to members of the management committees of the parent company and subsidiaries, as well as top sales staff, technical leaders and experienced contract managers.

Decentralized management, profit-sharing and participation in bonus share programs are part of the measures put in place to mitigate the risk of departure of the most important executives.

Risks related to the failure to honor a contractual commitment (lump-sum projects or recurring services with performance commitments)

Apart from Consulting, which is considered to be a 100% project activity, non-recurring fixed-price packages in Digital Services represent approximately 10% of revenues.

For infrastructure fixed-price projects, the risks of off-target performance are limited. They may result from the mismatch between different hardware and software to be integrated. In practice, these may not be able to be installed to fulfil their function. In these rare cases, NEURONES complains to the manufacturer or vendor, assisted by its insurer if legal action has to be taken.

For application development fixed-price projects, the number of days actually worked is seldom equal to the number of days initially calculated. There is a real risk of off-target performance, which can become quite significant. For this reason, a maximum commitment is set for each lot. When a project is very big, a subdivision is organized.

Stringent technical and legal checks are made during the pre-sale phase (and must be approved by an authorized person). The list of work in progress is reviewed at the end of each month in the entities concerned with, for each project, a re-estimate of its advance/lag. Any sudden change in the estimated “still to do” triggers a review of the contract in question. Overall, experience shows that the risk of slippage on application packages remains limited for the size of turnkey operations (maximum of €1 million) handled by the Group.

Today, recurrent fixed-price services (infrastructure outsourcing and third party application management), with penalties in case service levels are not achieved, have become the riskiest projects. During the pre-sales phase, the service provider has to anticipate productivity levels for each activity, based on its charts, without having all of the necessary background information in the specifications (apart from the usual information about the size of the installed base and the volumes, which are often incomplete). In general, NEURONES and its fellow companies offer fixed prices (per workstation or server), independently of the number of technical actions to be carried out. They often also commit to contractual productivity gains during the term of the contract. In order to meet its service commitments, an incoming service provider may be forced to assign more teams than had been planned during the handover phase, or even worse, continue to run at a deficit at the beginning of the current operations phase. The situation is then analyzed and discussed with the client through committees provided for in the contract. A jointly agreed action plan is put in place. In some extreme cases, a project's gross profitability may nevertheless remain permanently insufficient or even negative.

A provision for losses on completion is recorded for the projects or outsourced services concerned and still in progress at the date of the financial statements.

For fixed price projects, liability insurance can be activated. For recurring service contracts, the risk is controlled through precautions (prior to signing the contract) and subsequent negotiation (during the recurring phase) because there is no possibility to resort to insurers. A director of the leading entity monitors the pre-sales phase and attends the strategic committees (half-yearly or annual) in order to build a close relationship with the client. The most experienced service delivery managers are assigned to the projects that require the most negotiations (“contract management”).

Risks related to human error in the performance of the service (infrastructure services)

Some employees or subcontractors, under the responsibility of a Group entity, may make a mistake, either by failing to comply with safety instructions (e.g.: not to email important data outside the Client company) or by making a handling error (deleting all files instead of one, failing to react in accordance with instructions from an operations supervisor at night or on weekends, accidently disconnecting a cable in the data center, etc.). These erroneous actions are likely to create significant indirect damage (unavailability, loss of data).

On two occasions in the last ten years, a customer has penalized a group company for non-compliance with safety instructions. The sanction was a six-month freeze on new orders. Each time, the loss of revenue for NEURONES was estimated at €0.3 million in gross margin.

As regards handling errors, over the same period, five cases were investigated. On each occasion, the analyses showed that there had been a chain of several errors or the planned safety devices had failed (activation of an immediate backup, automatic shutdown of network traffic in the event of saturation, etc.) to function. Often the person who made the mistake was alone and was confronted with an uncommon event. He/she tried to sort it out on his/her own while on stand-by duty, and failed to warn the team leader. Awareness-raising activities are also carried out regularly. To date, the Group's civil liability policy has never been implemented for this type of risk.

For recurring contracts, the Group's chief legal officer, or the legal officer of the entity concerned, reviews the limitations of liability clauses. However, given the decentralized organization of the Group, it cannot be ruled out that, despite regular reminders, an entity may fail to perform such validation.

Risks related to a client's specific instructions or data

This risk covers two clearly-identified aspects:
- a failure to monitor compliance with a client's ban on using a subcontractor to carry out all or part of a project;
- insufficient precautions regarding access to or storage of a client's data.

If any of our workers (salaried employees or freelancers) fail to comply with the instructions of certain clients, then the client concerned has the right to no longer call upon the offending subsidiary, or even the entire group, for new projects. This type of "freeze" may last several months. It has no impact on projects in progress, but it does penalize growth (loss of opportunities) and affects the morale of sales executives who can no longer do business with the client concerned, for a certain period of time. In the event of proven misconduct, the sanction may be extended to the entire group, thus increasing the risks incurred.

Risks related to equipment belonging to third parties

Sometimes, general infrastructure contracts may include logistics services involving the use of equipment that belongs to clients but which is temporarily placed under the responsibility of certain Group entities. Whether the equipment is on the premises of the client, a third-party logistics provider or the group, cases of theft are rare, but can involve substantial sums (even as much as €1 million). In the event of a claim, the compensation due by insurance companies would be neither automatic nor seamless (liabilities to be established, companies involved, complicity of (or even an offence committed by) an employee or a person mandated by the group, etc.).

Risk of non-payment

In 2023, the Group's largest client represented 8.8% of revenues. This total volume of business corresponds to several deals concluded between different autonomous decision centers and several NEURONES business entities.

In France, with a client base consisting of large companies or midcaps that represent a lower than average risk, the Group self-insures its receivables. Only the training entity, which works with a large number of clients of various sizes, has subscribed to a databank on company solvency.

In the past, French entities have carried out occasional orders with clients located abroad (Morocco, Algeria, West Africa, etc.). In one or two cases, the procedure providing for either advance payment or at least export credit insurance was not complied with. To date, there have been no losses.

Risks associated with external growth operations

As in the past, the Group will select medium-sized enterprises with a culture similar to its own when planning its future external growth operations. Most of the time, this will allow these fellow companies to maintain their autonomy and their managers to remain in charge, while implementing synergies with the other companies of the Group. Particular care will be taken to ensure that owners, executives and key managers, who join NEURONES or one of its subsidiaries, find a capitalist motivation building on their prior asset situation.

Financial risks

Financial risk management (IFRS 7) is described in the appendix to the consolidated financial statements. “Management of financial risk”). It covers credit risk, liquidity risk, market risk (interest rate, currency, equity and bond markets) and capital management.

Digital risks

Cyberattacks with unavailability of the information system and/or data loss

Over the past five years, the group has suffered several cyberattacks. Most of them have proved unsuccessful. Two low-impact attempts were successful, despite the usual protection measures (notably the real-time update of new signatures distributed by antivirus publishers). One involved the encryption of one workstation and the other a few central files. Their consequences have been negligible thanks to a well-enforced policy of limiting rights. However, they required approximately 10 man-days each for lockdown, clean-up and data verification.

In the future, a greater degree of unavailability is probable, even if the information systems are partitioned, subsidiary by subsidiary, which limits the size of future damage.

The three entities that manage the delivery of their services from their managed service centers, which are often interconnected with their clients' information systems, as well as the subsidiary dedicated to cybersecurity, are ISO 27001 (information systems security) certified. Each of these four organizations has a dedicated CISO (Information Systems Security Manager) who acts in coordination with their CIO (Information Systems Director).

Finally, upon first request, all subsidiaries benefit from the expertise of the group's company, which has been specializing in cybersecurity for over twenty-five years.

Bank transfer fraud

The foreseeable impact of this risk is relatively low, again due to the specific organization into autonomous entities. Some attempts have been difficult to thwart in the past, due to the ingenuity of the scenarios implemented by the fraudsters. There has been no compensation, as insurance companies do not cover losses caused by fraud.

Following these incidents, which were documented and disseminated internally for educational purposes, the procedures have been strengthened. In particular, a centralized list of persons authorized to make transfers has been drawn up (about forty people). When they take up their duties, they are asked to formally confirm that they have read the document detailing the specific procedures to be adopted and the description of known attempts to date.

Environmental and societal risks

Ethical risks: active or passive corruption, influence peddling

In 2022, the Ethics and Compliance Committee received an alert on the email address set up for this purpose (request for assistance on what to do in the event of suspicious behavior). Even though the Group's rules have included requirements concerning ethical conduct for many years, we cannot rule out the possibility of new reports of alleged or proven incidents that are contrary to the Group's Code of Conduct. It is also likely that certain facts have not been reported to the specific reporting address, when they should have been.

Anti-competitive practices: price fixing

The risk of a competitive agreement is virtually non-existent in the field of technical assistance or services, where each DSC has a negligible market share (there are approximately 4,000 DSCs in France with 10 employees or more). Nevertheless, in certain identified businesses, the group's entities are among the main players in their activity. They are in “coopetition” with a small number of colleagues whom they know well, sometimes responding with them to calls for tender, sometimes competing head-on. In such a context, the risk of a price agreement cannot be excluded. The probability of this happening is low, but it is well understood that the penalty for a price cartel can amount to up to 10% of the worldwide turnover of the group concerned.

Tax and regulatory risks

Tax risks

For each Research Tax Credit application, a specialized firm checks its eligibility beforehand and, afterwards, all the documentation produced. Each time a foreign subsidiary is created, NEURONES, assisted by a leading specialized firm, defines and documents the rules used to fix the internal transfer prices.

Until now, tax and URSSAF audits, which are carried out on a fairly regular basis, have resulted in insignificant adjustments.

3.2. INSURANCE

The following insurance policies have been taken out for all or part of the group:
- professional civil liability: €15 million per claim and per calendar year (bodily injury, material and immaterial damages, consecutive or not),
- operating liability: €15 million per claim and per calendar year (bodily injury, material and immaterial damages, consecutive or not),
- civil liability of officers and directors: €5 million per calendar year (all damages combined),
- digital risk policies: the Group's four ISO2700-certified information systems, each with a dedicated CISO, are insured against digital risks under a single policy. Other Group companies that have their own information systems are covered by specific policies (with the exception of two relatively small Group entities),
- property damage and business interruption: general contractual indemnity limit of €35 million per claim, with a contractual indemnity limit of €10 million for buildings, lease-related risks, or general and technical facilities and a limit of €20 million for business interruption and additional expenses.

3.3. CONTROL ENVIRONMENT

This paragraph describes the key elements of the control and risk management environment in place.

Decentralized organization

The Group's decentralized organizational structure has both advantages and disadvantages.

The benefits are obvious: all types of risks (commercial, brand image, legal, real estate, key persons, IT, malicious acts and fraud, etc.) are spread over some fifteen subsidiaries with their own autonomy in all the above-mentioned areas. The management of threats is the direct responsibility of the company officers of these companies, of which they are shareholders, managers and sometimes founders.

The shortcoming of such an organization is that it leads to a lower number of control levels than in centralized structures. In a profession that has a high staff turnover, there is therefore a risk concerning the conservation of knowledge and continued compliance with processes.

The Group is therefore required to carry out regular reviews of procedures as well as numerous awareness-raising and coordination actions. An example is given above in the sub-paragraph “Bank transfer fraud”.

Business risk management

The management is carried out business by business and in each subsidiary. In the event of a claim, the manager concerned contacts the client's representative without delay.

Management of accounting and financial information

Objectives

The objective of the internal control system related to the preparation and treatment of accounting and financial information is to prevent and control the risks that could generate errors or fraud. However, like any control system, it cannot provide an absolute guarantee that every threat is excluded.

The objective of risk management procedures, or internal control, are particularly to:
- identify the potential risks and assess them (probability of occurrence, impact),
- define and implement control and monitoring actions.

In the accounting and financial area, the most important control procedures (likely to have an impact on the financial statements) aim to manage the following processes:
- recognition of revenues and margin (projects' stage of completion, overruns, estimated loss at completion and completeness of expenses),
- cash flow cycle.

Accounting organization and the information system

The Group's administrative and financial management brings together the following functions: legal (with the support of various external consultants, depending on the subject area), accounting (accounting, reporting, consolidation, tax, finance, cash and cash equivalents) and management control.

Fifteen administrative and financial departments of subsidiaries are responsible for accounting/payroll, management control and cash management within their scope. Certain departments are responsible for several subsidiaries and sub-subsidiaries, and report functionally to the Group Finance and Administration Department.

They generally have an independent management team, except for some, often small ones, which are assisted by an external accountant.

The information systems are built around market-standard software packages, whose main processes are interfaced (business management, sales, accounting, payroll).

Accounting applications are often SaaS (data integrity is the responsibility of the editor). If they are not, they are hosted in internal private clouds or computer rooms, in the case of certain small entities. Their data is then backed up in the same way as the other data in the information systems of which they are part. Microsoft 365 (backup under the responsibility of the software publisher) is mainly used for office and email functions.

Role of players performing control activities related to the preparation and treatment of accounting and financial information

As part of its central functional role, the Group's administrative and finance department ensures that the accounting standards are adhered to and acts as the guarantor of the latter as regards the senior management and the Board of Directors. It coordinates and organizes the budget and reporting processes. It is responsible for preparing the consolidation, reports to the Group's General Management and can be called for information and explanations by the Audit Committee.

The monthly reporting of each company is prepared in accordance with French standards. The consolidation and the related restatements are established by the parent company on a monthly basis according to the IFRS guidelines.

The Chief Financial Officer is responsible for internal control, the effectiveness of which is monitored by the Audit Committee, in collaboration with the Directors and Financial Officers, assisted by management controllers.

Financial reporting procedures

In order to comply with the regulations applicable to listed companies, a schedule of periodic obligations is formalized, both for publication aspects and for other regulatory procedures (legal, tax, etc.). The finance department monitors changes in regulations.

The finance department and senior management prepare the financial information that is published.

Budget procedures/monthly reporting

The general control procedures are centralized and based on two main processes:
- the annual "forecasting/budgeting" process. Each operating unit establishes an annual month-by-month budget at the end of each year for the following fiscal year for each operating unit. A budget revision is organized when necessary.
- the monthly “reporting” process. This involves preparing every month a balance sheet and complete income statement (up to the corporate income tax line). The Group voluntarily opted for streamlined reports in terms of the quantity of information provided, but relevant in terms of the essential character of the data produced. The analysis of the various key indicators, over a short time interval (one month), enables the finance department to analyze the variances between the actual situations and initial forecasts and to detect, if necessary, any significant errors in the financial statements by cross-checking key indicators (revenues, margins, income, cash, etc.). A complete monthly consolidation is carried out on the basis of the accounts transmitted by the various subsidiaries.

To do this, the Group companies rely on the “accounting and financial procedures manual” and the reporting tools.

These procedures, applied by all direct subsidiaries, are monitored and controlled directly by the Group's finance department. Each Company then has, at its level, local internal control procedures (delegation of bank signatures, control of current operations, etc.).

Preparation of the consolidated financial statements

The statutory consolidated financial statements are prepared at the half-year and annually, according to a procedure and within a timeframe similar to the process used to prepare the monthly reports, but with a greater level of detail. In addition to the information the subsidiaries submit monthly, all the information used to produce the consolidated financial statements, and in particular to establish the IFRS restatements, is also submitted. Consequently, the restatements are made centrally by the finance department.

Recognition of revenue

The main entities concerned by the recognition of revenue based on the percentage-of-completion method (fixed-price contracts) are equipped with analytical management tools for each project, which can be used to monitor margins per project and by percentage of completion at each monthly closing. The risk of a billing error or fraud is considered as limited by the complete monthly reporting system (income statement/balance sheet), which would quickly provide an alert (within 2 to 3 months), if a subsidiary's trade receivables increased abnormally and without cause.

Cash flow cycle

For the disbursement cycle, which is generally considered sensitive, an organizational structure based on the separation of tasks has been implemented: In each subsidiary, at least two people, often three, share the process steps. They deliver a payment authorization, issue a payment instrument, sign the payment instrument (check, transfer), perform accounting operations and bank reconciliation and control the bank reconciliation.

Change

The internal control system for accounting and financial information is based on a policy of continuous improvement. The financial control system (budget/reporting) has been operational since 1999. The tools on which it is based seem to be efficient and adapted to the size of the group. They have been improved and will continue to be upgraded, notably in the event of strong growth or significant geographical expansion.

The managerial staff and the finance department ensure that the rules are applied. The Audit Committee monitors its effectiveness. Depending on its size, the group will grow this function: strengthen management control, improve the organization, optimize information systems and documentation of key processes, etc.

Digital risk management: independence of Information Systems, Saas, Cloud, ISO-27001 certifications

Because of the Group's decentralized structure, the subsidiaries' information systems are independent, which is a significant advantage, notably in terms of cybersecurity.

In most entities, programs to switch business applications to SaaS and to transfer office automation and messaging to public clouds have been implemented in order to better spread risks by diversifying storage and backup locations.

The group's three entities that have an information system supporting the production of services from their centers (managed production services, hosting and management of virtual servers, service desk) have been ISO 27001 certified, as has the entity dedicated to cybersecurity. In this context, they ensure that the documentation describing their Information System' security management is kept up to date.

The dedicated CISOs (Chief Information Security Officers) of these three subsidiaries, as well as the IT Directors or Managers of the other entities, which are in charge of their own information system's IT security, share information and best practices among each other.

Similarly, the DPOs (Data Protection Officers) of the various structures, two of whom have specific profiles for this function, also exchange information between each other concerning personal data protection (GDPR).

Management of the risks of corruption and influence peddling (Sapin II law)

Since June 1, 2017, NEURONES has implemented the eight measures provided for by the Sapin II law concerning the fight against corruption and influence peddling. In particular, a code of conduct has been disseminated and integrated in the policies and procedures of the Group companies. An internal alert system has been created with a specific email address distributed to all staff. This email address is shown on the contracts signed with subcontractors and other suppliers, as well as on certain client contracts. An e-learning training system has been developed. Every year, the Ethics and Compliance Committee presents the process' state of progress to the Board of Directors and submits a report on any alerts that occurred.

Management of the risk of price fixing

The managers of the entities that are among the leaders in their specialty or positioned in a niche activity with only a small number of other players in competition, have been told to remain vigilant. The following activities have been identified: service desk, restoration of information systems following cyber-attacks, development and TMA of information systems for vocational training organizations (French "Competency Operators" or "OPCO").

4 Consolidated financial statements

4.1. CONSOLIDATED FINANCIAL SITUATION

ASSETS *(in thousands of euros)*	Notes	12/31/2022*	12/31/2023
NON-CURRENT ASSETS			
Intangible assets	*Notes 1/2*	46,074	52,863
Rights of use (IFRS 16)	*Note 3*	32,808	33,876
Tangible assets	*Note 4*	15,966	24,849
Financial assets	*Note 5*	9,522	10,754
Deferred tax assets	*Note 6*	5,276	6,096
TOTAL NON-CURRENT ASSETS		109,646	128,438
CURRENT ASSETS			
Inventory	*Note 7*	353	709
Deferred tax assets due		6,369	4,367
Trade accounts and notes receivable	*Note 8*	227,791	242,979
Cash and cash equivalents	*Note 9*	272,058	297,758
TOTAL CURRENT ASSETS		506,571	545,813
TOTAL ASSETS		616,217	674,251

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	12/31/2022*	12/31/2023
SHAREHOLDERS' EQUITY			
Capital		9,691	9,711
Additional paid-in capital		31,403	31,383
Consolidated reserves and profits		289,490	313,295
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	*Note 10*	330,584	354,389
Minority equity investments		44,998	53,518
SHAREHOLDERS' EQUITY		375,582	407,907
NON-CURRENT LIABILITIES			
Non-current provisions	*Note 11*	6,128	6,495
Non-current financial liabilities	*Note 9*	110	1,510
Non-current lease liabilities (IFRS 16)	*Note 3*	27,296	29,416
TOTAL NON-CURRENT LIABILITIES		33,534	37,421
CURRENT LIABILITIES			
Current provisions	*Note 12*	1,701	2,366
Taxes due		7,994	3,481
Trade and other accounts payable	*Note 13*	189,221	209,986
Current lease liabilities (IFRS 16)	*Note 3*	8,012	7,221
Current financial liabilities and bank overdrafts	*Note 9*	173	5,869
TOTAL CURRENT LIABILITIES		207,101	228,923
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		616,217	674,251

* pro forma opening balance sheet: see adjustments Note 3 - Leases (IFRS 16)

4.2. CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2022	2023
Software and equipment sales		3,810	3,052
Sale of services		661,569	738,123
REVENUES		665,379	741,175
Purchases consumed		-	-
Salaries and related expenses	*Note 15*	(356,263)	(394,419)
External expenses	*Note 16*	(214,998)	(248,581)
Taxes and duties		(7,626)	(8,520)
Allocations to amortization and depreciation	*Note 17*	(7,350)	(8,024)
Depreciation of rights of use (IFRS 16)	*Note 3*	(8,056)	(7,876)
Allowances and reversals of provisions	*Note 17*	(422)	(274)
Other income	*Note 18*	4,166	4,035
Other expenses	*Note 18*	(1,937)	(1,659)
OPERATING PROFIT		72,893	75,857
– as percentage of revenue		*11.0%*	*10.2%*
Financial income		1,693	6,342
Financial expenses		(910)	(463)
Financial expenses on lease liabilities (IFRS 16)		(814)	(971)
Net financial profit (loss)	*Note 19*	(31)	4,908
PRETAX PROFIT		72,862	80,765
– as percentage of revenue		*11.0%*	*10.9%*
Tax on earnings	*Notes 20/21*	(21,091)	(22,183)
PROFIT FOR THE PERIOD FROM ONGOING ACTIVITIES		51,771	58,582
– as percentage of revenue		*7.8%*	*7.9%*
PROFIT FOR THE PERIOD		51,771	58,582
Including:			
• Profit attributable to owners of the parent company (Group share)		44,243	49,410
• Profit attributable to minority equity investments (minority interests)		7,528	9,172
Undiluted earnings per share - Group share (in euros)		1.83	2.04
Diluted earnings per share - Group share (in euros)		1.82	2.03

Statement of consolidated comprehensive income

(in thousands of euros)	2022	2023
Profit for the period	**51,771**	**58,582**
Other comprehensive income: actuarial gains and losses on pension plans, net of tax	(2,027)	(50)
Other comprehensive income: translation adjustments (foreign currency activities)	281	(106)
Comprehensive income	**50,025**	**58,426**
Including:		
• share attributable to parent company shareholders (Group share)	42,657	49,230
• share attributable to minority equity investments (minority interests)	7,368	9,196

4.3. OTHER ITEMS

Consolidated statement of cash flows

(in thousands of euros)	2022	2023
Consolidated income before minority interests	**51,771**	**58,582**
Elimination of non-monetary items:		
• Net allocations to amortization, depreciation and provisions	8,518	8,881
• Depreciation of rights of use (IFRS 16)	8,056	7,876
• Expenses/(Income) related to stock options and similar items	3,361	4,394
• Effect of discounting receivables and debts maturing in more than one year	135	192
• Capital losses/(gains) from disposals, net of tax	(33)	(15)
• Losses/(Gains) on lease terminations (IFRS 16)	(609)	(331)
• Capital losses/(gains) from disposals of consolidated securities, net of tax	(30)	(819)
Cash flows from operating activities after net financial income and tax	**71,169**	**78,760**
• Net financial profit	31	(4,908)
• Taxes due	21,091	22,183
Cash flows from operating activities before net financial income and tax	**92,291**	**96,035**
Cash variation in:		
• Working capital requirement for operations*	(13,190)	1,393
• Taxes paid	(24,132)	(25,353)
CASH FLOW FROM OPERATIONAL ACTIVITIES	54,969	72,075
Acquisitions of intangible and tangible assets*	(10,605)	(17,982)
Disposals of fixed assets, net of tax	56	77
Proceeds from sales of financial assets	312	846
Acquisitions of financial assets	(1,706)	(2,067)
Acquisitions of companies, net of the acquired cash	(307)	(3,178)
Securities bought from minority shareholders of subsidiaries	(2,316)	(1,433)
Subscriptions to capital increases by minority interests of subsidiaries	1,814	1,084
Disposal of consolidated securities, net of tax	496	1,085
CASH FLOW FROM INVESTMENT ACTIVITIES	(12,256)	(21,568)
Capital reduction	-	-
Company buy-back and sale of its own securities	(107)	57
Dividends paid to parent company shareholders*	(24,224)	(26,647)
Dividends paid to minorities of subsidiaries	(4,639)	(1,791)
Increase in financial liabilities	68	6,394
Repayment of financial debts	(316)	(2,590)
Repayment of lease liabilities (IFRS 16)*	(6,826)	(7,391)
Net financial interest	(31)	4,908
CASH FLOW FROM FINANCING ACTIVITIES	(36,075)	(27,060)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,638	23,447
Effect of foreign exchange variations on the cash held	252	34
CASH AND CASH EQUIVALENTS AT OPENING	265,074	271,964
CASH AND CASH EQUIVALENTS AT CLOSING	271,964	295,445

* see Note 14

Statement of changes in consolidated shareholders' equity

SHAREHOLDERS' EQUITY (in thousands of euros)	Capital	Additional paid-in capital	Consolidated reserves*	Share-based compensa-tion reserve	Treasury shares	Profit for in the year	Total shareholders' equity (Group share)**	Minority equity investments	Total shareholders' equity
SHAREHOLDERS' EQUITY AT 12/31/2021	9,691	31,403	231,186	1,834	(261)	37,706	311,559	41,360	352,919
Movements for FY 2022									
• Consolidated profit for the year	-	-	-	-	-	44,243	44,243	7,528	51,771
- Actuarial gains and losses	-	-	(1,814)	-	-	-	(1,814)	*(213)*	(2,027)
- Translation adjustments	-	-	228	-	-	-	228	*53*	281
Comprehensive income	-	-	*(1,586)*	-	-	*44,243*	*42,657*	*7,368*	*50,025*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	2,996	-	-	2,996	365	3,361
• Changes and corrections according to IAS 8	-	-	(494)	-	-	-	(494)	-	(494)
• Change in treasury shares	-	-	-	-	76	-	76	26	102
• Allocation of 2021 profit	-	-	39,540	(1,834)	-	(37,706)	-	-	-
• Dividends paid by the parent company	-	-	(24,224)	-	-	-	(24,224)	-	(24,224)
• Commitment to buy out minority interests	-	-	(180)	-	-	-	(180)	(5)	(185)
• Change in scope	-	-	(1,806)	-	-	-	(1,806)	545	(1,261)
Total transactions with shareholders recognized directly in shareholders' equity	-	-	*12,836*	*1,162*	*76*	*(37,706)*	*(23,632)*	*931*	*(22,701)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(4,661)*	*(4,661)*
SHAREHOLDERS' EQUITY AT 12/31/2022	9,691	31,403	242,436	2,996	(185)	44,243	330,584	44,998	375,582
Movements for FY 2023									
• Consolidated profit for the year	-	-	-	-	-	49,410	49,410	9,172	58,582
- Actuarial gains and losses	-	-	(44)	-	-	-	(44)	(6)	(50)
- Translation adjustments	-	-	(136)	-	-	-	(136)	30	(106)
Comprehensive income	-	-	*(180)*	-	-	*49,410*	*49,230*	*9,196*	*58,426*
• IFRS 2 restatements - stock options & bonus shares	-	-	-	3,849	-	-	3,849	545	4,394
• Capital transactions	20	(20)	-	-	-	-	-	-	-
• Change in treasury shares	-	-	-	-	(263)	-	(263)	(70)	(333)
• Allocation of 2022 profit	-	-	47,239	(2,996)	-	(44,243)	-	-	-
• Dividends paid by the parent company	-	-	(26,647)	-	-	-	(26,647)	-	(26,647)
• Commitment to buy out minority interests	-	-	(1,821)	-	-	-	(1,821)	(1,038)	(2,859)
• Change in scope	-	-	(543)	-	-	-	(543)	1,665	1,122
Total transactions with shareholders recognized directly in shareholders' equity	*20*	*(20)*	*18,228*	*853*	*(263)*	*(44,243)*	*(25,425)*	*1,102*	*(24,323)*
Minorities' share in subsidiaries' dividend distributions	-	-	-	-	-	-	-	*(1,778)*	*(1,778)*
SHAREHOLDERS' EQUITY AT 12/31/2023	9,711	31,383	260,484	3,849	(448)	49,410	354,389	53,518	407,907

* Of which currency translation reserve (-€1.643 million at December 31, 2023).
** Share of shareholders' equity attributable to parent company shareholders.
*** Share of shareholders' equity attributable to minority equity investments corresponding to the shares held by subsidiaries' managers.

4.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. COMPANY IDENTIFICATION

NEURONES, a public limited company, whose head office is located at 205, avenue Georges Clemenceau – 92000 – Nanterre (France), is a Consulting and Digital Services Group.

2. DISTRIBUTION OF CONSOLIDATED FINANCIAL STATEMENTS

The 2023 consolidated financial statements presented in this document were approved by the Board of Directors at its meeting of March 6, 2024 for submission to the Shareholders' Meeting of June 6, 2024.

NEURONES' consolidated financial statements for the year ended December 31, 2023 include the Company and its subsidiaries (together referred to as the “Group”) and the share in affiliates or companies under joint control.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements were prepared in compliance with the IFRS as adopted in the European Union. They differ in some aspects from the IFRS published by IASB. Nevertheless, the Group has made sure that the financial information for the periods presented would not be substantially different if it had applied the IFRS as published by the IASB. This compliance covers the definitions, recognition, measurement and presentation methods as provided for by IFRS, as well as all the information required by the standards.

4. ACCOUNTING PRINCIPLES

The accounting methods presented below have been applied consistently for all periods shown in the consolidated financial statements. They are identical to the accounting methods used in the financial statements at December 31, 2022 and were applied uniformly by Group entities.

4.1. Basis of preparing the consolidated financial statements

The financial statements are presented in euros rounded to the nearest thousand euros.

They were prepared based on historical cost except for short-term cash investments, share-based compensation and some non-current financial assets, valued at fair value.

4.2. Use of estimates

Preparing financial statements in accordance with the IFRS conceptual framework results in making estimates and formulating assumptions that affect the application of accounting methods and the amounts published.

The estimates and underlying assumptions are made based on past experience and other factors considered as reasonable in view of the circumstances. Consequently, they form the basis for exercising the necessary judgment to determine the carrying amounts of assets and liabilities that cannot be obtained directly from other sources. The intrinsic values may differ from the estimated values.

The estimates and underlying assumptions are reexamined continuously. The impact of changes in accounting estimates is recognized during the period of change if it only affects this period, or during the period of change and subsequent periods, if they too are affected by the change. At the year-end closing, NEURONES does not foresee any changes in the key assumptions used or sources of uncertainty that would present a major risk of leading to a significant adjustment in the amounts of assets and/or liabilities during the following period.

The main items where estimates are made concern: forecast costs on fixed-price service contracts monitored on a completion basis, asset impairments, pension liabilities, the valuation of share-based compensation and provisions. The assumptions used are specified in the corresponding notes to the financial statements.

4.3. Consolidation methods

Subsidiaries

A subsidiary is an entity the Company controls. The Group controls a subsidiary when it is exposed to or has the right to variable returns based on its ties with the entity and it has the ability to influence these returns due to the power it holds over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date they are verified until the date when they are no longer verified. Their accounting principles have been modified, if necessary, to ensure homogeneity with NEURONES's accounting methods.

Minority equity investments

Minority equity investments are valued, on the date of obtaining control, in proportion to the company's net identifiable assets.

Changes in the Group's percentage ownership in a subsidiary, which do not result in a loss of control, are accounted for as equity transactions.

Loss of control

When the Group loses control of a company, it de-recognizes the assets and liabilities as well as any other items related to this subsidiary. Any resulting gain or loss is recognized in net income. Any interest kept in the former subsidiary is valued at its fair value at the date of loss of control.

Transactions eliminated in the financial statements

Balance sheet balances and transactions, income and expenses resulting from intra-group transactions are eliminated. Profits resulting from transactions with the equity affiliates are cancelled by cross-entry of equity method investments up to the Group's percentage interest in the company. Losses are eliminated in the same way as profits, but only insofar as they do not represent an impairment.

At December 31, 2023, all companies included in the scope of consolidation were subsidiaries.

The list of consolidated companies is given in paragraph 5 below, "Scope of consolidation".

4.4. Intangible assets

Business combinations and goodwill

For acquisitions that have occurred since January 1, 2010, goodwill is measured as:
- the fair value of the consideration transferred,
- plus the amount recognized for any minority interest in the acquired company,
- plus, if the business combination is done in phases, the fair value of any prior investment held in the acquired company,
- less the net amount recognized (generally at fair value) for identifiable acquired assets and assumed liabilities.

When the difference is negative, a bargain purchase profit is recognized immediately in income.

Since January 1, 2010, the method for determining the fair value of the consideration transferred is as follows:
- the consideration transferred excludes amounts relating to the settlement of pre-existing relationships and compensation of employees or former owners for future services;
- acquisition-related costs, other than those related to the issuance of debt or equity, are expensed as incurred;

- any potential consideration due is recognized at its fair value at the acquisition date. Recorded in shareholders' equity, it is not restated and its payment is recognized in shareholders' equity. On the other hand, for potential consideration recorded as debt, subsequent variations in its fair value are recognized in profit or loss.

For acquisitions made between January 1, 2004 and January 1, 2010, goodwill represents the difference between the acquisition cost and the Group's share in the fair value of the assets, liabilities and identifiable potential liabilities acquired. When a company enters the scope of consolidation, its assets, liabilities and identifiable potential liabilities are entered on the consolidated balance sheet at their fair value and valued according to the Group's accounting principles.

For goodwill prior to January 1, 2004, the Group has chosen, according to the provisions of IFRS 3, not to restate goodwill from business combinations. Consequently, this goodwill is maintained at its assumed cost, which represents the amount recognized according to the previous accounting guidelines.

Goodwill is valued at its cost, less cumulative impairment. It is assigned to Cash Generating Units, is not amortized and is subject to an annual impairment test or more frequently if there are signs of impairment (see “4.8. Impairment of fixed assets” below).

Contracts and contractual client relationships

Contracts and contractual client relationships are recorded in assets at their acquisition cost less cumulative depreciation and impairment. For the most part they come from purchased businesses and correspond to a volume of revenues and margin generated by these contracts. They are amortized over the useful life of the corresponding contracts.

In the case of technical assistance contracts renewable periodically, the useful life is indefinite. Consequently, the period during which the contracts will generate net cash inflows to the Group's benefit is without a foreseeable limit. In this case, they are not amortized and are subject to an annual impairment test or whenever there is an indication of impairment (see 4.8 “Impairment of fixed assets” below).

4.5. Other intangible assets

The Group has not identified significant development expenses that meet the IAS 38 definition.

Other intangible assets, including software acquired for internal use, are amortized over their useful life, generally between one and three years, as soon as the asset is ready for use.

The amortization and depreciation of intangible assets are recorded in operating profit on the line, “Allocations to amortization and depreciation”.

4.6. Leases (IFRS 16)

Leases that give the lessee control over the use of an identified asset for a period of time in exchange for consideration all within the scope of IFRS 16. Tenant companies recognize all rental contracts, regardless of their nature (operating or finance lease), as assets in the form of a right of use in return for a rental liability.

The lease liability is initially determined based on the present value of the lease payments outstanding at that date, discounted at the interest rate implicit in the lease (if this rate is readily available) or at the marginal borrowing rate specific to the country, terms and currency of the contract. Lease payments include a fixed part, a variable part based on an index or rate and payments arising from options that are reasonably certain to be exercised.

After the initial assessment, the lease liability is reduced by the payments made and increased by the interest expense. It is revalued to reflect any change in future lease payments in the event of new negotiations with the lessor, a change in an index or rate or if options are re-estimated. When the rental liability is revalued, the corresponding adjustment is reflected in the right of use, or the result if the right of use is already reduced to zero in the case of a reduction in the scope of rental.

The right of use initially determined includes: the initial lease liability, the initial direct costs and any obligations to renovate the asset, less any benefits granted by the lessor. It is amortized over the term of the contract. In the income statement, amortization and depreciation expenses are recognized in operating profit and interest expenses in financial income.

The lease term used corresponds to the non-cancellable part, the extension options whose exercise is reasonably certain, and the periods covered by a termination option whose non-exercise is reasonably certain. For 3/6/9 leases, a rental period of 9 years is retained except when the decision is taken to break the lease at the end of one of the first two triennial periods.

The exemptions permitted by IFRS 16 are applied. This concerns the treatment of contracts with a duration of less than 12 months or of a low value (less than €5,000).

Methods of presentation

In the statement of financial position, the Group has elected to present assets under rights of use separately from other assets and lease liabilities separately from other liabilities.

The application of IFRS 16 leads to the presentation of expenses related to leases in depreciation of the right of use and in financial expenses. These lease payments are now divided into cash outflows relating to interest expense on and repayment of the lease debt. In cash flow from financing activities, the group shows repayment of the principal of the rental obligation and the interest paid.

4.7. Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and recognized impairment.

The Group has not opted to use the revaluation method for its assets. Loan costs are excluded from the cost of fixed assets pursuant to IAS 23.

Tangible assets are depreciated over their useful life, according to the following methods as soon as the asset is ready to be commissioned:

Fixtures and installations	Straight-line 5 to 10 years
Transportation equipment	Straight-line 2 to 4 years
Computer hardware	Declining balance and straight-line 3 to 6 years
Office equipment	Straight-line 5 to 10 years

4.8. Impairment of fixed assets

The book values of these assets are examined at each closing to assess whether there is any sign of impairment. For this purpose, assets are broken down into Cash Generating Units (CGUs), which correspond to homogeneous groups of assets that generate identifiable cash flows. The division into CGUs is done by legal entity. Each subsidiary corresponds to a CGU.

If there is such a sign of value loss, the CGU's recoverable value is estimated. For goodwill and intangible assets with an indefinite useful life or that are not yet ready to be commissioned, the recoverable value is estimated every year at December 31.

Goodwill and intangible assets with an indefinite useful life or intangible assets in progress

The tracking method used to test intangible assets for impairment is the DCF (discounted cash flow) method. This method is used each time there is a sign of impairment and at least once a year.

A CGU's carrying amount is compared to its recoverable value, which corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted future cash flow method.

In case of impairment, it is recorded under “Asset impairment” in the calculation of operating profit. Goodwill impairment is not reversed even if the asset's value in use recovers in future years.

Tangible and intangible assets with a definite useful life

The value in use of tangible and intangible assets with a definite useful life is tested for impairment as soon as signs of impairment appear (reviewed during the annual closure).

To perform this test, the tangible assets are grouped into Cash Generating Units (CGU).

A CGU's carrying amount is compared to its recoverable value, and corresponds to the maximum of the fair value less disposal costs and the value in use, determined by the discounted future cash flow method. When the carrying amount is less than the recoverable value, impairment is recorded in operating profit, under “Impairment of assets”.

Impairment recorded for a CGU is first allocated to reducing the carrying amount of any goodwill allocated to the Cash Generating Unit, then to reducing the carrying amount of the CGU's other assets on a prorata basis with the carrying amount of each asset in the unit.

Impairment recorded for an asset other than goodwill is written back if there is a change in the estimates used to determine the recoverable value. An asset's carrying amount, increased due to the write back of impairment, should not exceed the carrying amount that would have been determined, net of depreciations, if no impairment had been recorded.

4.9. Financial assets

Non-consolidated securities

In accordance with IFRS 9, equity investments in non-consolidated companies are recognized either at fair value or at amortized cost, according to the contractual characteristics of these financial assets and the Group's management model.

In this case, any normal change in fair value, be it positive or negative, is recognized in other comprehensive income.

Financial assets at fair value through the income statement

An asset is classified as a financial asset at fair value through the income statement if it is held for trading purposes or indicated as such when it is initially recognized. Financial instruments are designated as such if the Group manages investments and makes purchase or sale decisions based on their fair value in accordance with the risk management policy or investment strategy.

Other financial assets

Other financial assets, except for receivables with no financial component, maturing in more than one year and bearing no interest, are initially recognized at fair value plus directly attributable transaction costs. After the initial recognition, they are valued at amortized cost calculated according to the effective interest rate less any impairment.

The Group has no derivatives among its financial assets and does not conduct any hedge operations.

4.10. Deferred tax assets and liabilities

Pursuant to IAS 12, deferred tax assets and liabilities are recognized in the income statement and the balance sheet to account for the time lag between the book values and tax bases of certain assets and liabilities, except for the following items:
- goodwill,
- time differences related to investments provided they will not inverse in the foreseeable future.

According to the liability method of tax allocation, deferred taxes are valued based on the known changes in tax rates that have been adopted or virtually adopted at the closing date.

Loss carry forwards are activated when it is likely there will be future taxable income that these tax losses can be charged against.

A deferred tax is recorded for assets and liabilities related to rental agreements.

Pursuant to IAS 12, deferred tax assets and deferred tax liabilities are not discounted.

Since the year ending December 31, 2010, the Company Value Added Contribution (CVAE) falls within the scope of IAS 12.

4.11. Inventory

Inventory is valued at the lowest cost based on the weighted price and net realizable value method. The latter is the estimated sales price under normal business conditions, less the estimated costs required to complete the sale.

Impairment is recognized on a case-by-case basis when the net realizable value is less than the carrying amount.

4.12. Receivables

Receivables are recorded at transaction price less recognized impairment. Impairment is recognized when the carrying amount of the receivable exceeds its recoverable sum (i.e., the value of estimated future cash flows).

4.13. Cash and cash equivalents

Short-term investments are valued at their fair value (as counterparty through the income statement).

Pursuant to IAS 7, the “Cash and cash equivalents” line includes the cash on hand and demand deposits. Bank overdrafts repayable on demand are a component of cash for the purposes of the cash flow statement.

The fair value corresponds to the cash-in value of the cash asset or liability at the closing date.

Variances in fair value are recorded in profit for the period under the “Financial income” category.

4.14. Treasury shares

The amount of the consideration paid for treasury shares, including directly attributable costs, is deducted from consolidated reserves.

In case the shares are subsequently disposed of, the profit/(loss) and any corresponding tax effects are recorded as a variation in consolidated shareholders' equity.

4.15. Share-based compensation

The Black & Scholes valuation model was used for options. The fair value valuation of the service rendered at the attribution date is expensed on a prorata temporis basis over the entire rights vesting period as an adjustment to shareholders' equity.

4.16. Employee benefits

Defined benefits plan: provision for retirement benefits

This provision is intended to meet the commitments corresponding to the present value of rights acquired by employees regarding conventional benefits they will have a claim to when they retire. It is based on a calculation made according to the projected unit credit method, which takes into account seniority, life expectancy and the standard personnel turnover rate plus salary revision and discounting assumptions.

Actuarial gains and losses generated by changes in demographic or financial assumptions are recognized in “other items of comprehensive income.”

Furthermore, the application of IAS 19 (amended) results in breaking down the change in the debt between the cost of services rendered, presented as an operating profit, and the financial cost (corresponding to interest on the debt calculated based on the discount rate), presented as financial profit or loss.

Given the amount of the debt related to pension liabilities, the financial cost impact is non-significant over the period.

4.17. Other personnel commitments

Rewards for long-service

The collective bargaining agreements in force in Group companies do not make any provisions for long-service medals. No specific agreement has been concluded on this point either.

4.18. Provisions

Pursuant to IAS 37, a provision is recorded when the Group recognizes a current legal or implicit obligation regarding a third party resulting from a past event and it is likely or certain that this obligation will cause an outflow of resources representing economic benefits, whose amount may be estimated reliably.

Non-current provisions are discounted when the effect is significant.

4.19. Financial liabilities

The Group has no derivatives among its financial liabilities and does not conduct any hedge operations. The Group has no liabilities valued at fair value as an adjustment to profit.

The other financial liabilities correspond primarily to bank overdrafts.

4.20. Other non-current liabilities

No other non-current liabilities were identified at December 31, 2023.

4.21. Trade and other accounts payable

Trade and other accounts payable are valued at their fair value when initially recorded, then at amortized cost.

4.22. Recognition of revenues (IFRS 15)

The method of recognizing revenues and costs depends on the nature of the services:

Fixed-price projects

Contracts based on “deliverables” generally include fixed-price services, such as systems integration or the design and development of customized IT applications and related processes.

Revenues are recognized based on percentage of completion, when at least one of the following conditions is respected: (i) the service improves an asset for which the client obtains control as the service is completed or (ii) the completed asset has no alternative use (e.g., it is specific to the client) and there is an enforceable right to payment for performance completed to date, in case the client terminates the contract.

NEURONES applies the method of costs incurred to evaluate progress. The percentage of completion is based on the costs incurred to date in relation to the total estimated costs to complete the contract.

The Group acquires the contractual right to bill as specified milestones are achieved or upon the client's acceptance of the work performed. The difference, between cumulative billing and cumulative revenue recognized, is reflected in the consolidated statement of financial position as unbilled revenue – Note 8 (when revenue generated exceeds billing) or prepaid income – Note 13 (when billing exceeds revenue generated).

Resource-based contracts

Revenues from resource-based contracts are recognized as the Group acquires the right to issue invoices, since the amount invoiced corresponds directly to the value of the service rendered at the date in question. Each delivery obligation is recognized as revenue on a percentage-of-completion basis since the receives and consumes the benefits of the services on an ongoing basis. The price of the services is based on the number of hours spent on the contract.

Multi-year contracts

Long-term managed service contracts usually include two main types of services:
- initial engineering (or “takeover”): this is a stand-alone project, prior to starting the contract in routine operation. This phase is treated as a distinct delivery obligation if it transfers control of an asset to the or if the can benefit from these initial activities independently of operating services. Thus the corresponding revenues are generally recognized based on the stage of completion;
- routine operations: these include infrastructure management, application management and business services. The fees are billed monthly, based on a fixed price per unit or work consumed or based on the monthly fixed prices, which can be adjusted for changes in volumes or scope. Revenues from service-based contracts are recognized as the right to bill.

Buy/Sell of equipment and licenses

Concerning revenues from the sale of equipment and licenses, the analyses performed led the Group to consider that it was acting as an “agent” (and not a “principal”) in this type of transaction. Consequently, since January 1, 2018, only the gross profit of these operations has been recognized, thus reducing revenue, without impacting operating profit. Sales of internally developed software licenses are recognized when the licenses are activated.

4.23. Calculation of diluted earnings per share (IAS 33)

The number of shares taken into account in calculating diluted EPS is comprised of:
- number of shares at the beginning of the year,
- plus the weighted average number of bonus shares delivered during the year,
- plus, if applicable, the weighted average number of stock options exercised during the year,
- plus the weighted average number of other dilutive share subscription options (stock options and bonus shares) attributed and not exercised or not delivered during the year, calculated according to the provisions of IAS 33,
- less the weighted average number of treasury shares during the year.

4.24. Operating segments (IFRS 8)

According to IFRS 8, an operating segment is a distinct component of the group, which either provides a specific service (business segment) or performs a service in an environment (geographic segment) that is subject to specific risks and generates different profitability than the profitability in other segments. It is identified and managed separately, as it requires a specific strategy, resources and technologies.

The Group's operating segments within the meaning of IFRS 8 are the three core businesses (Infrastructure, Applications and Consulting). Their performance is regularly reported internally to the Chairman, the Executive Vice-President and the Board of Directors.

Each Group company is attached to the business segment relating to its principal activity. Secondary activities are generally closely related to the core business, representing ancillary activities arising from specific requests from certain clients of the core business. Inter-segment transactions are carried out at market prices.

Performance is measured by the operating margin. It enables comparisons to be made between operating segments.

4.25. Management of financial risk (IFRS 7)

Exposure to the following risks has been identified:
- credit risk,
- liquidity risk,
- market risk, and
- capital management risk.

The purpose of this note is to provide information about the exposure to each of these risks as well as the policies put in place to minimize them. Given the Group's current size and the daily involvement of two directors (Chairman and Executive Vice-President) combined with the geographic proximity of the largest Group companies and subsidiary managers' participation in the share capital, it has not been deemed necessary to form a centralized risk management committee. Moreover, NEURONES' general and/or financial management is directly responsible for some risks.

Credit risk

Credit risk represents the possibility of a financial loss in the case where a client or counterparty to a financial instrument fails to honor its contractual obligations. In the case of NEURONES and its subsidiaries, the risk is primarily limited to trade receivables and financial investments.

Concerning receivables, the credit risk exposure depends on the individual characteristics of the legal entities invoiced. The Group addresses a broad spectrum of uniformly distributed clients in multiple business sectors, with the largest client not accounting for more than 10% of the consolidated revenues (this is a major banking group whose multiple decision-making centers order and pay for services independently of each other and to different group subsidiaries).

Regarding cash and cash equivalents, the credit risk exposure is limited by primarily investing excess cash in term deposits issued by banks.

Liquidity risk

The liquidity risk corresponds to difficulties the Group could encounter in honoring its commitments and paying its debts. This assumption is theoretical given its very high cash surplus.

Market risk

Market risk corresponds to changes in market prices, such as exchange rates, interest rates and prices of equity instruments.

NEURONES is exposed very little to a foreign exchange rate risk since almost all transactions are carried out in euros.

Furthermore, the Group is not indebted and would not experience a significant impact in case interest rates vary.

Only the risk related to market price variations could affect the regularity of the financial profit or loss since the performance of a small part of the short-term investments is correlated to stock markets.

Capital management

By design, managers and their families hold 69% of the capital, which constitutes a block that by nature gives third parties' confidence.

Even though NEURONES has substantial surplus cash (plus significant shareholders' equity), the Board of Directors makes sure that a balance is maintained between shareholders' remuneration and long-term resources.

The Group also wishes to retain the option of buying back shares at any time. As such, every year the Shareholders' Meeting is asked to approve such an authorization.

4.26. New standards and interpretations

IFRS provisions, mandatory as of January 1, 2023, applied without impact on the Group's financial statements at December 31, 2023
- IFRS 17 - Insurance Contracts, including the various amendments concerning the comparative information to be produced when IFRS 17 and IFRS 9 are applied for the first time;
- Amendments to IAS 8 – Definition of accounting estimates;
- Amendments to IAS 1 and Practice Statement 2 – Disclosure of accounting policies;
- Amendments to IAS 12 - Deferred tax relating to assets and liabilities arising from the same transaction;
- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules.

Mandatory implementing provisions after December 31, 2023, not applied in advance
- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 7 and IFRS 7 - Supplier financing arrangements;
- Amendments to IAS 21 - Lack of exchangeability.

5. SCOPE OF CONSOLIDATION

5.1. List of consolidated companies

In the table below, only companies whose annual contribution to 2023 revenues is greater than €10 million are listed.

Companies consolidated by full consolidation	Registered Office	12/31/2022		12/31/20223	
		% Stake	% Control	% Stake	% Control
Parent company					
NEURONES	205, av. Georges Clemenceau - 92000 NANTERRE	-	-	-	-
Subsidiaries					
Arondor	24-26, rue de la Pépinière - 75008 PARIS	58%	58%	58%	58%
AS International	120-122, rue Réaumur - 75002 PARIS	97%	100%	97%	100%
Cloud Temple	1 cours de Valmy - 92800 PUTEAUX	92%	98%	91%	96%
Codilog	205, av. Georges Clemenceau - 92000 NANTERRE	76%	76%	76%	76%
Colombus Consulting	138, avenue des Champs-Elysées - 75008 PARIS	83%	83%	82%	82%
Deodis	2, place de la Défense CNIT - 92800 PUTEAUX	88%	96%	87%	95%
Experteam	171, av. Georges Clemenceau - 92000 NANTERRE	91%	99%	91%	99%
Finaxys	1 Terrasse Bellini - Tour Initiale - 92919 PARIS LA DEFENSE	76%	76%	76%	76%
Helpline	171, av. Georges Clemenceau - 92000 NANTERRE	92%	92%	92%	92%
Iliade Consulting	1, rue de la Pépinière - 75008 PARIS	53%	70%	53%	70%
Intrinsec	1 passerelle des Reflets - 92400 COURBEVOIE	83%	88%	83%	88%
MobiApps	14, rue Jules Verne - 44700 ORVAULT	68%	70%	71%	73%
NEURONES IT	205, av. Georges Clemenceau - 92000 NANTERRE	97%	97%	96%	96%
RS2i	44, av Georges Pompidou - 92300 LEVALLOIS-PERRET	99%	99%	99%	99%
Scalesquad	205, av. Georges Clemenceau - 92000 NANTERRE	96%	99%	95%	99%
Upgrade	264, Faubourg Saint-Honoré - 75008 PARIS	53%	78%	55%	78%
Visian	20, av. André Prothin - Tour Europlaza - 92400 COURBEVOIE	86%	89%	85%	89%

5.2. Significant events

Impact of variations on the scope of shareholders' equity

During 2023, various transactions were carried out with certain minority shareholders of subsidiaries. They resulted in slight changes in percentage stakes.

(in thousands of euros)	% Stake at 12/31/2022	% Stake at 12/31/2023	Change (%)	Impact on shareholders' equity attributable to parent company shareholders	Impact on minority equity investments
Colombus Consulting	83.1%	82.0%	(1.1%)	353	384
Codilog	76.5%	76.5%	n.s.	(319)	5
MobiApps	67.6%	70.6%	3.0%	(236)	(85)
Cloud Temple	91.8%	90.8%	1.0%	(165)	165
NEURONES IT	96.6%	96.4%	(0.2%)	(111)	111
Helpline	91.8%	91.7%	(0.1%)	(78)	111
Tempo & Co	58.2%	58.7%	0.5%	(74)	(34)
BPartners	-	71.1%	71.1%	(43)	553
Deodis	87.7%	87.1%	(0.6%)	2	103
Webwag	-	49.4%	49.4%	-	154
Smarterz	-	43.4%	43.4%	-	129
Others (< +/- €100,000)	-	-	-	128	69
TOTAL	-	-	-	(543)	1,665

Acquisitions of Webwag and BPartners

The Group's scope of consolidation was increased by the following two acquisitions:

Company	Entry date	Contribution to revenues in 2023 (in M€)	Fair value of shareholders' equity at the acquisition date (in M€)
BPartners	08/01/2023	2.7	2.5
Webwag	07/01/2023	1.4	0.5

Provisional items concerning the contribution of acquisitions to the Group's consolidated financial

For each acquisition, the price was paid in cash (and partly in shares for BPartners), with possible future earn- payments. The residual goodwill primarily represents human capital and expected revenue and market share synergies. At the date of entering the scope, the acquired companies' main totals were:

ASSETS *(in thousands of euros)*	BPartners	Webwag
Intangible assets	73	-
Tangible assets	31	191
Financial assets	131	8
Deferred tax assets	-	-
TOTAL NON-CURRENT ASSETS	235	199
Inventory	-	-
Trade accounts and notes receivable	2,736	625
Cash and cash equivalents	2,825	607
TOTAL CURRENT ASSETS	5,561	1,232
TOTAL ASSETS	5,796	1,431

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of euros)*	BPartners	Webwag
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	1,759	260
Minority equity investments	714	254
SHAREHOLDERS' EQUITY	2,473	514
Non-current provisions	-	-
Non-current financial liabilities	1,075	-
TOTAL NON-CURRENT LIABILITIES	1,075	-
Current provisions	104	-
Trade and other accounts payable	2,144	917
Other financial liabilities	-	-
TOTAL CURRENT LIABILITIES	2,248	917
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,796	1,431

6. NOTES TO THE BALANCE SHEET

Note 1 – Intangible assets

(in thousands of euros)	12/31/21	+	−	12/31/22	Change in Scope	+	−	12/31/23
Goodwill (see details in Note 2)	44,700	611	-	45,311	-	6,355	-	51,666
Software licenses	9,215	565	161	9,619	87	1,283	1,680	9,309
Contracts and contractual relationships	340	-	-	340	-	-	-	340
GROSS TOTAL	54,255	1,176	161	55,270	87	7,638	1,680	61,315
Amortization and depreciation	(7,771)	(892)	(95)	(8,568)	(14)	(891)	(1,649)	(7,824)
Impairment	(628)	-	-	(628)	-	-	-	(628)
NET TOTAL	45,856	284	66	46,074	73	6,747	31	52,863

Contracts and contractual relationships recorded under assets are related to technical assistance contracts with an indefinite useful life (see "4. Accounting Principles"). They amount to €340,000 and are fully depreciated. No intangible assets have been pledged as security.

The write-offs for the year mainly concerned disposals.

Note 2 – Goodwill

(in thousands of euros)	12/31/21	+	−	12/31/22	+	Reclassification	−	12/31/23
Companies concerned								
Colombus Consulting	10,731	-	-	10,731	-	-	-	10,731
AS International	8,874	-	-	8,874	-	-	-	8,874
Helpline	5,179	-	-	5,179	-	-	-	5,179
Codilog	3,792	-	-	3,792	-	-	-	3,792
RS2I	3,460	-	-	3,460	-	-	-	3,460
Tempo & Co	2,762	611	-	3,373	-	-	-	3,373
Webwag					3,281			3,281
BPartners					3,074			3,074
Iliade Consulting	2,959	-	-	2,959	-	-	-	2,959
Cloud Temple	2,180	-	-	2,180	-	-	-	2,180
Aezan Services	1,463	-	-	1,463	-	-	-	1,463
Arondor	1,480	-	-	1,480	-	-	-	1,480
Others (< €1 million)	1,820	-	-	1,820	-	-	-	1,820
GROSS TOTAL	**44,700**	**611**	**-**	**45,311**	**6,355**	**-**	**-**	**51,666**
Impairment	(287)	-	-	(287)	-	-	-	(287)
NET TOTAL	**44,413**	**611**	**-**	**45,024**	**6,355**	**-**	**-**	**51,379**

Changes during the year concern the acquisitions of Webwag and BPartners (see Note 5.2).

Method and key assumptions used for impairment tests

Impairment tests are performed at least once a year at closing on December 31.

Main criteria used to apply the DCF method of valuation

- the discount rate used is 9.3% after tax,
- during the explicit period (5 years), the assumptions used (sales growth of 5% on average, operating margin, working capital requirements, investments) are specific to each CGU, based on their size and their specific business sector,
- the perpetual growth rate used is 2%.

The sensitivity analyses show the following threshold values (percentages at which the recoverable amount falls below the carrying amount)

- 14% for the discount rate,
- 5% for the operating profit rate,

No growth to infinity would not result in a recoverable amount lower than the carrying amount.

Note 3 – Leases (IFRS 16)

(in thousands of euros)	01/01/23	01/01/23 pro forma	⊕	Repayment	Depreciation	⊖	Revaluation	Reclassification	12/31/23
1. IMPACTS ON THE BALANCE SHEET									
Rights of use	55,787	60,271	7,196	-	-	(4,382)	2,930	-	66,015
Amortization of rights of use	(21,955)	(27,463)	(575)	-	(7,876)	3,775	-	-	(32,139)
TOTAL NET USER FEES	**33,832**	**32,808**	**6,621**	**-**	**(7,876)**	**(607)**	**2,930**	**-**	**33,876**
Prepaid expenses	(199)	(199)	57	-	-	-	-	-	(142)
TOTAL ASSETS	**33,633**	**32,609**	**6,678**	**-**	**(7,876)**	**(607)**	**2,930**	**-**	**33,734**
Non-current rental debts	27,826	27,296	6,665	-	-	(938)	2,930	(6,537)	29,416
Current rental debts	8,012	8,012	185	(7,357)	-	(156)	-	6,537	7,221
TOTAL RENT LIABILITIES	**35,838**	**35,308**	**6,850**	**(7,357)**	**-**	**(1,094)**	**2,930**	**-**	**36,637**
SHAREHOLDERS' EQUITY	**(2,205)**	**(2,699)**	**(172)**	**7,357**	**(7,876)**	**487**	**-**	**-**	**(2,903)**
2. IMPACT ON THE INCOME STATEMENT									
Amortization of rights of use			-	-	(7,876)	-	-	-	(7,876)
Financial expense			-	(971)	-	-	-	-	(971)
Cancellation of rents			-	8,362	-	-	-	-	8,362
Net proceeds from broken leases			-	-	-	331	-	-	331
IMPACT ON NET INCOME BEFORE TAX			**-**	**7,391**	**(7,876)**	**331**	**-**	**-**	**(154)**

The correction to the opening balance sheet is due to the change in the lease monitoring tool. This had an impact of €(494)k on shareholders' equity. It includes an increase in the gross value and amortization of rights of use for €4,484k and €(5,508)k respectively, as well as a decrease in non-current rental liabilities of €530k.

Since the application of IFRS 16 (January 1, 2019), a liability of €2,903k (€2,205k at the end of 2022) has accumulated. This liability comes from the fact that the IFRS16 expense is higher than the rents paid, and constitutes an unrealized surplus. For the 2023 financial year, the €698k increase in this unrealized surplus is due to the correction following the change of tools (representing €494k), the IFRS16 expense for the year (representing €154k) and changes in the scope of consolidation (representing €50k).

As of December 31, 2023, leases represent more than 98% of total IFRS16 assets.

Note 4 – Tangible assets

(in thousands of euros)	12/31/21	⊕	Reclass.	⊖	12/31/22	Change in Scope	⊕	Reclass.	⊖	12/31/23
Land and buildings	104	-	-	-	104	-	-	-	-	104
Fixtures and installations	15,006	1,852	393	98	17,153	308	1,938	490	219	19,670
Transportation equipment	2,730	109	-	111	2,728	(4)	283	-	227	2,780
IT and office equipment	48,890	7,175	34	1,491	54,608	171	13,629	7	2,274	66,141
Fixed assets under construction	34	879	(427)	-	486	-	26	(497)	-	15
GROSS TOTAL	**66,764**	**10,015**	**-**	**1,700**	**75,079**	**475**	**15,876**	**-**	**2,720**	**88,710**
Amortization and depreciation	(53,819)	(6,468)	5	(1,169)	(59,113)	(254)	(7,049)	-	(2,555)	(63,861)
NET TOTAL	**12,945**	**3,547**	**5**	**531**	**15,966**	**221**	**8,827**	**-**	**165**	**24,849**

The increase in tangible assets is due to investments in:
- infrastructures used for the cloud computing activity,
- IT equipment hardware used in our service centers or at client sites, as part of managed services contracts or for internal uses,

The decreases correspond primarily to disposals.

Note 5 – Financial assets

(in thousands of euros)	12/31/21	Change in Scope	+	–	12/31/22	Change in Scope	+	–	12/31/23
Non-consolidated securities	33	-	30	-	63	80	140	80	203
Loans	5,117	-	1,095	69	6,143	-	1,074	544	6,673
Other financial assets	3,184	(14)	446	235	3,381	59	662	159	3,943
GROSS TOTAL	8,334	(14)	1,571	304	9,587	139	1,876	783	10,819
Impairment	(53)	-	(12)	-	(65)	-	-	-	(65)
NET TOTAL	8,281	(14)	1,559	304	9,522	139	1,876	783	10,754

Financial assets correspond mainly to deposits paid in the form of loans as part of the 1% housing contribution, as well as guarantee deposits (related to real estate rentals).

The present value of loans (1% housing aid contribution) and in particular the reimbursement due date have been calculated based on the reimbursement date provided for in the contract (20 year timeframe).

Note 6 – Deferred tax assets

The deferred tax assets shown on the balance sheet concern the following items:

(in thousands of euros)	12/31/22	12/31/23
Employee statutory profit sharing	2,201	2,217
Provision for retirement benefits	1,511	1,586
Present value of receivables maturing in more than one year	877	927
Leases (IFRS 16)	570	737
Tax losses deferrable indefinitely	111	346
Other temporary differences	6	283
TOTAL DEFERRED TAXES	5,276	6,096

Note 7 – Inventory

(in thousands of euros)	12/31/22	12/31/23
Licenses and equipment	381	857
GROSS TOTAL	381	857
Impairment	(28)	(148)
NET TOTAL	353	709

Note 8 – Trade accounts and notes receivable

(in thousands of euros)	12/31/22	12/31/23
Trade receivables	167,002	174,301
Unbilled revenue	27,209	33,368
Suppliers: credit notes receivable	636	833
VAT and other taxes	24,848	23,403
Other receivables	498	598
Prepaid expenses	9,576	12,040
GROSS TOTAL	229,769	244,543
Impairment	(1,978)	(1,564)
NET TOTAL	227,791	242,979

These “Trade and other receivables” are due within one year.

The trade receivable aging breaks down as follows:

(in thousands of euros)	Due				Not due	Total
	More than 1 year	Between 6 and 12 months	Between 3 and 6 months	Less than 3 months		
Trade receivables	1,298	2,251	2,328	42,950	125,474	174,301
Impairment	(714)	(123)	(74)	(37)	(24)	(972)
Net value	584	2,128	2,254	42,913	125,450	173,329
TOTAL	0.3%	1.2%	1.3%	24.8%	72.4%	100%

Note 9 - Cash net of financial debt (excluding IFRS 16 lease liabilities)

(in thousands of euros)	12/31/22	Maturities/Due dates at 12/31/2023			12/31/23
		More than 2 years	Between 1 and 2 years	Less than 1 year	
Term deposits	195,347	187,242	2,000	53,383	242,625
Other marketable securities	2,140	-	-	28,299	28,299
Cash and cash equivalents	74,303	-	-	26,068	26,068
Accrued interest	268	-	-	766	766
Total financial assets	**272,058**	**187,242**	**2,000**	**108,516**	**297,758**
Bank overdrafts	(94)	-	-	(2,313)	(2,313)
CASH AND CASH EQUIVALENTS	271,964	187,242	2,000	106,203	295,445
Non-current loans	(110)	(172)	(1,338)	-	(1,510)
Current loans	(58)	-	-	(3,522)	(3,522)
Total loans	**(168)**	**(172)**	**(1,338)**	**(3,522)**	**(5,032)**
Security deposits received	(21)	-	-	(34)	(34)
CASH AND CASH EQUIVALENTS NET OF FINANCIAL DEBT (EXCLUDING IFRS16)	271,775	187,070	662	102,647	290,379

The amount of the financial assets, net of bank overdrafts, corresponds to the amount of "cash and cash equivalents" (last line of cash flow statement).
Given the type of funds and supports selected to invest excess cash, no adjustment in the fair value or the future yield is anticipated.
The term deposits can be mobilized anytime. They are comprised of several lines in ten European banks with rates ranging from 0.3% to 4.4%.
Marketable securities are mainly composed of financial products indexed to major French and European indices. Their valuation is obviously market driven.
Cash and cash equivalents correspond to uninvested cash as at December 31.

The accounting and measurement methods for financial assets and liabilities under IFRS 9 are as follows:

(in thousands of euros)	Accounting method			Fair value		
	Amortized cost	Fair value by income	Fair value by equity	Level 1	Level 2	Level 3
Non-consolidated securities	-	-	203	-	-	203
Loans	6,608	-	-	-	-	-
Other financial assets	3,943	-	-	-	-	-
Inventory	709	-	-	-	-	-
Trade accounts and notes receivable	242,979	-	-	-	-	-
Cash and cash equivalents	-	297,758	-	297,758	-	-
TOTAL FINANCIAL ASSETS (IFRS 9)	254,239	297,758	203	297,758	0	203
Loans	5,032	-	-	-	-	-
Rental debts	36,637	-	-	-	-	-
Trade and other accounts payable	209,986	-	-	-	-	-
Other current financial liabilities	2,347	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES (IFRS 9)	254,002	-	-	-	-	-

The fair value measurement methods for financial assets and liabilities are classified into the following three levels
- level 1: fair value measured using quoted prices (unadjusted) in active markets for identified assets or liabilities;
- level 2: fair value measured using inputs other than quoted prices in active markets that are observable for the asset or liability, either directly (prices) or indirectly (inputs derived from prices);
- level 3: fair value measured using inputs that are not based on observable market data (unobservable inputs).

Note 10 – Shareholders' equity

Note 10.1 – Capital

At December 31, 2023, the share capital amounted to €9,711,486.40 and was made up of 24,278,716 fully paid-up shares of the same class, with a face value of €0.40.

In addition, the bonus share plan H (delivered on September 9, 2023) resulted in the creation of 50,500 new shares, which increased the share capital by €20,200 via the incorporation of reserves taken from the "additional paid-in capital" item.

The change in the number of shares outstanding during the year 2023 is therefore as follows:

Number of shares outstanding at 01/01/2023	Increase	Decrease	Number of shares outstanding at 12/31/2023
24,228,216	50,500	-	24,278,716

Note 10.2 – Share-based compensation

Bonus share attribution plans

The Shareholders' meeting of June 4, 2020 authorized the Board of Directors to attribute a bonus share plan for up to 120,000 common shares. On September 9, 2020, the Board of Directors made partial use of this delegation (valid for a period of twenty-four months) by attributing 54,500 bonus shares (Plan H).

The Shareholders' meeting of June 2, 2022 authorized the Board of Directors to attribute a bonus share plan for up to 240,000 common shares. On June 2, 2022, the Board of Directors made partial use of this delegation (valid for a period of twenty-four months) by attributing 50,000 bonus shares (Plan I).

The various bonus share plans decided by the Board of Directors, which are still subject to a vesting and/or holding period at December 31, 2023, have the following characteristics:

	Bonus share plan H	Bonus share plan I
Date of the Shareholders' Meeting	06/04/20	06/02/22
Date of the Board of Directors meeting	09/09/20	06/02/22
Vesting period term	09/09/23	06/02/25
Holding period term	09/09/25	06/02/27
Number of beneficiaries	12	10
- of which executives	-	-
Number of bonus shares attributed	54,500	50,000
Cumulative number of expired shares at 12/31/2022	4,000	-
Number of shares in the vesting period at 01/01/2023	-	50,000
Number of shares expired during the vesting period over the year	-	-
Number of shares in the vesting period at 12/31/2023	-	50,000
Number of shares in the holding period at 01/01/2023	-	-
Number of shares in the holding period at 12/31/2023	50,500	-
Potential dilution (excluding cancelled options) - % of capital at 12/31/2023	-	0.21%
TOTAL POTENTIAL DILUTION		0.21%

No performance conditions have been set for the above-mentioned plans.

The main criteria used to measure the fair value of options and bonus shares for plans attributed after November 7, 2002 (date when a new accounting standard applicable to stock options and other share-based payments took effect) are as follows:

	Bonus share plan H	Bonus share plan I
Life span	3 years	3 years
Volatility	N/A	N/A
Risk-free rate	0%	0%
Dividend payout rate	1%	1%

Fair value of bonus share plans

Based on the Black & Scholes model, the options' unit fair values are as follows:

Plan and date of the Board of Directors meeting *(euros)*	Final attribution date	Exercise price	Fair value	Price at the final attribution date (euros)
September 9, 2020 (plan H) – Bonus shares	09/10/23	-	-	38.15
June 2, 2022 (Plan I) – Bonus shares	06/02/25	-	36.3	-

The expenses related to the bonus share plans are presented in Note 14 hereafter.

Note 10.3 – Earnings per share

	2022	2023
Number of shares at the beginning of the year	24,228,216	24,228,216
Average number of shares issued/cancelled	-	15,358
Average number of treasury shares (liquidity contract)	(5,244)	(5,591)
Average number of shares outstanding during the year	24,222,972	24,237,983
Average number of dilutive instruments	66,965	75,250
Average number of shares outstanding after dilution	24,289,937	24,313,233
Net profit – Group share (in euros)	44,242,808	49,410,356
Earnings per share, Group share – undiluted (in euros)	1.83	2.04
Earnings per share, Group share – diluted (in euros)	1.82	2.03

Note 11 – Non-current provisions

(in thousands of euros)	12/31/21	Change in scope	Allocation the fiscal year	Write-backs the fiscal year	Variation in actuarial differences	12/31/22	Allocation in the year	Write-backs for the year (provision used)	Variation in actuarial differences	12/31/23
Provision for retirement benefits	2,519	(52)	979	(46)	2,728	6,128	583	(283)	67	6,495
TOTAL	2,519	(52)	979	(46)	2,728	6,128	583	(283)	67	6,495
Impact on operating profit (net of expenses incurred)					*-*		*583*	*-*	*-*	

Principal actuarial assumptions	2022	2023
Discount rate	3.5%	3.4%
Rate of salary increase	1.5% – 5%	1.5% – 5%
Turnover rate	0% – 20%	0% – 20%

The discount rate for liabilities corresponds to the market rate. The rates of salary increases and staff turnover are differentiated according to the age of the employees (one rate per year of birth).

Sensitivity analysis of the actuarial liability *(in thousands of euros)*	Impact on the actuarial liability at 12/31/2023
+0.5% change in the discount rate	-323
+0.5% change in the rate of salary increase	+199
+2% change in the turnover rate	-503

Note 12 – Current provisions

(in thousands of euros)	12/31/21	Change in Scope	Allocation the fiscal year	Write-backs the fiscal year	12/31/22	Change in Scope	Allocation in the year	Write-backs for the year (provision used)	Write-backs for the year (provision not used)	12/31/23
Provisions	1,478	-	825	(602)	1,701	104	1,117	530	26	2,366
TOTAL	1,478	-	825	(602)	1,701	104	1,117	530	26	2,366
Impact on operating profit (net of expenses incurred)						-	*(1,117)*	-	-	

The current provisions, as well as the allocations and write-backs, correspond primarily to employer social security contribution risks and losses on contracts, where the expected completion date is less than 12 months.

Note 13 – Trade and other accounts payable

(in thousands of euros)	12/31/22	12/31/23
Trade and related accounts payable	42,927	44,041
Employee statutory profit sharing and optional profit sharing	8,601	8,746
Outstanding payroll & payroll taxes	105,996	116,443
Other debts	10,263	16,577
Prepaid income*	21,434	24,179
TOTAL	189,221	209,986

* See "4.22. Revenue recognition (IFRS 15)" above.

All of the above operating liabilities are due within one year.

Note 14 – Reconciliation of significant cash flows in the cash flow statement

The change in WCR corresponds to changes in the items in Notes 7, 8 and 13 (representing €5,221k), restated for debts on asset acquisitions (representing €3,987k) and other items (representing €159k).

Acquisitions of property, plant and equipment and intangible assets correspond primarily to increases in Notes 1 (excluding goodwill) and 4 (amounting to €17,159k).

The amount of dividends paid to shareholders of the parent company corresponds to the amount shown in the statement of changes in equity.

Repayments of lease liabilities (IFRS 16) are detailed in Note 3.

7. OPERATING SEGMENTS

	2022		2023	
(in thousands of euros)	Revenues	Operating profit	Revenues	Operating profit
Infrastructures	419,453	44,049	468,494	44,245
Applications	200,475	22,729	219,469	24,971
Consulting	45,451	6,115	53,212	6,641
TOTAL	665,379	72,893	741,175	75,857

Operating income of the parent company NEURONES S.A. has been broken down on a pro rata basis according to the operating income of the business segments.

8. NOTES TO THE INCOME STATEMENT

Note 15 – Salaries and related expenses

(in thousands of euros)	2022	2023
Salaries	245,965	273,649
Payroll taxes	96,708	106,213
Employee statutory profit sharing	8,508	8,656
Bonus shares	4,149	5,601
Provision for retirement benefits	933	300
TOTAL	356,263	394,419

Note 16 – External expenses

(in thousands of euros)	2022	2023
Subcontracting purchases	176,973	204,937
Purchases of materials and supplies not stored	504	799
Outside personnel	1,188	1,360
Other outside services	33,410	37,399
Rental expenses*	2,923	4,086
TOTAL	214,998	248,581

* Contracts of less than 12 months (not restated by IFRS 16

Note 17 – Allocations to amortization, depreciation provisions and impairment of assets

(in thousands of euros)	2022	2023
Amortization of intangible assets	873	897
Depreciation of tangible assets	6,477	7,127
ALLOCATIONS TO AMORTIZATION AND DEPRECIATION	7,350	8,024
Amortization of rights of use (IFRS 16)	8,056	7,876
ALLOCATIONS TO AMORTIZATION OF RIGHTS OF USE	8,056	7,876
Net contingency provisions	223	563
Net provisions for current assets	198	(290)
NET ALLOCATIONS TO PROVISIONS	421	(273)

Note 18 – Other income and expenses

(in thousands of euros)	2022	2023
Research Tax Credit (CIR)	1,273	1,470
Capital gain/(loss) on disposal of assets	62	834
Capital gain/(loss) on lease termination (IFRS 16)	609	331
Other operating subsidies	26	76
Impairment of goodwill	-	-
Miscellaneous income	1,095	661
Miscellaneous expenses	(836)	(996)
NET OTHER INCOME/OTHER EXPENSES	2,229	2,376

The tax credits were recorded as other income because they are considered as a grant offsetting related costs incurred.

Note 19 – Analysis of the net cost of financial debt

(in thousands of euros)	2022	2023
Dividends received (non-consolidated equity investments)	-	-
Other interest and similar income	1,661	5,917
Capital gains on disposal of cash equivalents	32	425
Capital gain on disposal of financial assets	-	-
Write-backs of provisions	-	-
TOTAL FINANCIAL INCOME	**1,693**	**6,342**
Interest and similar expenses	889	463
Allocations to provisions	21	-
TOTAL FINANCIAL EXPENSES	**910**	**463**
Financial expenses on lease liabilities (IFRS 16)	814	971
FINANCIAL PROFIT (LOSS)	(31)	4,908

Other interest and similar income includes foreign exchange gains of €193k. Interest and similar expenses include foreign exchange losses of €425k.

Note 20 – Income tax

(in thousands of euros)	2022	2023
Corporate income tax	19,447	20,900
Company Value Added Contribution (CVAE)	2,765	1,858
TAXES DUE	**22,212**	**22,758**
Deferred tax assets and liabilities	(1,121)	(575)
TOTAL	21,091	22,183

Note 21 – Proof of tax

	2022			2023		
(in thousands of euros)	Base	Rate	Tax	Base	Rate	Tax
Pre-tax income, capital gain on sale of consolidated shares	72,862	25.83%	18,820	80,766	25.83%	20,862
Non-deductible calculated expenses	3,360	25.83%	868	4,394	25.83%	1,135
Impact of permanently non-deductible net expenses	3,407	25.83%	880	964	25.83%	249
Generation/(Use) of tax losses not activated	143	25.83%	37	476	25.83%	123
Tax credits	-	-	(704)	-	-	(670)
CVAE (Company Value Added Contribution) impact on tax	-	-	2,051	-	-	1,378
Rate difference between parent company and subsidiaries	-	-	(861)	-	-	(894)
EFFECTIVE TAX EXPENSE	-	-	21,091	-	-	22,183
Average tax rate	-	-	28.9%	-	-	27.5%

The corporate tax rate in 2023 in France is 25%. NEURONES S.A. is taxed at 25.83%, since it is also subject to the 3.3% Social Contribution on Profits (CSB) on the amount of the IS. This tax rate of 25.83% is therefore used as the reference rate for calculating the tax proof.

Note 22 – Information about related parties

Legal entities

NEURONES has no sister company. There are no economic transactions with Host Développement, a 46% shareholder in NEURONES (other than payment of the annual dividend).

Senior executives

The total and overall gross remuneration of officers amounted to €520,000 for FY 2023 (fixed and variable). The officers did not receive any other remuneration.

9. MISCELLANEOUS INFORMATION

9.1. Security given

No guarantees were given as at December 31, 2023.

9.2. Off balance sheet commitments

There were no off balance sheet commitments as at December 31, 2023.

9.3. Auditors' fees

	BM&A				KPMG				Other			
	Amount		%		Amount		%		Amount		%	
(in thousands of euros)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Audit												
Statutory audit, review of company and consolidated financial statements												
- parent company	30	26	17%	14%	26	26	16%	14%	-	-	-	-
- subsidiaries	126	142	72%	78%	125	152	80%	84%	7	22	100%	100%
Accessory assignments (due diligence, etc.)	19	15	11%	8%	7	2	4%	2%	-	-	-	-
TOTAL	175	183	100%	100%	158	180	100%	100%	7	22	100%	100%

9.4. Average number of employees

	2022	2023
France	5,156	5,529
International	931	1,078
TOTAL	6,087	6,607

9.5. Subsequent events

None.

9.6. Distribution of dividends

The 2023 financial statements will be submitted for approval to the Shareholders' Meeting on June 6, 2024. On March 6, 2024, the Board of Directors proposed the payment of a dividend of €1.2 per share.

4.5. AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

To the attention of the Shareholders' Meeting of NEURONES S.A.,

Opinion

In accordance with the terms of our appointment through your Shareholders' Meeting, we have audited the consolidated financial statements of NEURONES S.A. for the financial year ended December 31, 2023, which are duly attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2023 and of the financial position and assets and liabilities of the Group as at that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

The opinion expressed above is consistent with our report to the audit committee.

Basis for opinion

Audit framework

We conducted our work in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from January 1, 2023 to the date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Observation

Without qualifying the opinion expressed above, we draw your attention to the following point set out in Note 3 - Leases (IFRS 16) of the appendix to the consolidated financial statements concerning the correction of errors relating to leases.

Basis of our assessments – Key points of the audit

In accordance with the provisions of Articles L.821-53 et R.821-180 of the French Commercial Code concerning the justification for our assessments, we bring to your attention the key points of the audit relating to risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on any individual item of these consolidated financial statements.

Recognition of "Provision of services" revenues

Description of the identified risk

The NEURONES group operates in the professional digital services market.

As indicated in note 4.22 to the consolidated financial statements, revenues from multi-year and resource-based contracts are recognized as the services are provided, using either the percentage-of-completion or the earned-revenue invoicing method. Where applicable, percentage of completion is calculated on the basis of the costs incurred.

Under these two methods, revenues are recognized over the period in which the service is provided, irrespective of the billing frequency.

Given the large volume of contracts and the specific nature of the services provided, we considered the recognition of the "Provision of services" revenues as a key point in our audit.

Our response to risk

Our audit approach to revenue recognition for the provision of services includes the consideration of internal control and substantive procedures.

We have analyzed the procedures implemented within the Group relating to the contracting, invoicing, accounting, performance and monitoring of the provision of services.

Our substantive procedures consisted in examining – based on a sample of contracts – the correct recognition of "provision of services" revenues by performing the following procedures:
- reconciliation of contractual data with management and accounting data;
- assessment of the consistency of costs incurred, based on operational monitoring, in relation to the accounting data;
- assessment of the consistency of the right to invoice in relation to the accounting data;
- obtaining proof of collection for sums already received as at December 31, 2023;
- verification of the arithmetical accuracy of the revenue figures for the year.

We also assessed the appropriateness of the information disclosed in note 4.22 of the consolidated financial statements.

Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by law and regulations on the Group information provided in the board of directors' management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

We hereby certify that the consolidated statement of non-financial performance provided for by article L.225-102-1 of the French Commercial Code is included in the information concerning the Group provided in the management report, it being noted that, in accordance with the provisions of article L.823-10 of the aforementioned code, we did not verify the fair presentation or consistency of the information contained in this statement with the consolidated financial statements, since that information should be reported on by an independent third party.

Other verifications or information required by law and regulations

Presentation format of the consolidated financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual consolidated financial statements presented in accordance with the Single European Electronic Reporting format, we also verified that the consolidated financial statements 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, which are established the responsibility of the Chairman and Chief Executive Officer, comply with this format as defined by the European Delegated Regulation No. 2019/815 of December 17, 2018. In the case of consolidated financial statements, our work includes verifying that the markup of these financial statements conforms to the format defined by the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies with the single European electronic reporting format in all its material respects.

Due to the technical limitations inherent in the macro-tagging of consolidated financial statements in accordance with the Single European Electronic Reporting Format, the content of certain tags in the notes may not be rendered in an identical manner to the consolidated financial statements attached to this report.

Furthermore, it is not our responsibility to verify that the consolidated financial statements which will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of the auditors

KPMG S.A. and BM&A. were appointed statutory auditors of NEURONES S.A. by the Shareholders' Meeting on June 25, 2004 and on June 30, 1997 respectively.

At December 31, 2023, KPMG SA was in the 20th uninterrupted year of its assignment and BM&A in its 27th year, thus representing periods of 20 and 24 years respectively since the Company's securities were listed on a regulated stock exchange.

Responsibilities of management and the people charged with governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the management deems necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, if necessary, any matters related to the going concern and using the going concern basis of accounting, unless there are plans to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The Board of Directors approved the consolidated financial statements.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

Audit objectives and approach

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when there is one. 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 consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our account-certification mission does not involve guaranteeing 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 auditor applies its professional judgment throughout the audit. And furthermore:

- identifies and assesses the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, defines and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, willful omission, misrepresentation or circumvention of internal control;
- reviews the internal control relevant to the audit in order to define audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of the management's application of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- assesses the overall presentation of the consolidated financial statements and whether those statements represent the underlying transactions and events in a manner that provides a fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed concerning those consolidated financial statements.

Report to the audit committee

We submit a report to the Audit Committee, which notably includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements for the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence, within the meaning of the rules applicable in France, notably as defined by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the audit Committee the risks that may be reasonably thought to bear on our independence and the related safeguards.

The Statutory Auditors

Paris La Défense, April 25, 2024

KPMG S.A.
Camille Mouysset
Associate

Paris, April 25, 2024

BM&A
Thierry Bellot
Partner

Céline Claro
Associate

5 Company financial statements

5.1. PARENT COMPANY BALANCE SHEET AND INCOME STATEMENT

Parent Company Balance Sheet

ASSETS	12/31/2022	12/31/2023		
(in thousands of euros)	Net	Gross	Amortization and depreciation and provisions	Net
Franchises, patents and licenses	18	150	120	30
Intangible assets under construction	19	-	-	-
INTANGIBLE ASSETS	**37**	**150**	**120**	**30**
Fixtures and installations	568	770	261	509
IT and office equipment	50	130	92	38
TANGIBLE ASSETS	**618**	**900**	**353**	**547**
Financial interests	79,974	80,474	-	80,474
Loans	-	-	-	-
Other financial assets	583	604	-	604
FINANCIAL ASSETS	**80,557**	**81,078**	-	**81,078**
TOTAL FIXED ASSETS	**81,212**	**82,128**	**473**	**81,655**
Trade and related accounts receivable	35,823	40,233	-	40,233
Other receivables	27,948	17,571	-	17,571
Marketable securities	154,590	205,185	-	205,185
Cash and cash equivalents	18,718	2,314	-	2,314
TOTAL CURRENT ASSETS	**237,079**	**265,303**		**265,303**
Prepaid expenses	73	88		88
TOTAL ASSETS	318,364	347,519	473	347,046

LIABILITIES *(in thousands of euros)*	12/31/2022	12/31/2023
Share capital	9,691	9,711
Additional paid-in capital	30,614	30,593
Legal reserve	971	971
Retained earnings	4,920	14,660
PROFIT FOR THE YEAR	**36,387**	**(638)**
TOTAL SHAREHOLDERS' EQUITY	**82,583**	**55,297**
Contingency provisions	13	13
TOTAL CONTINGENCY AND LOSS PROVISIONS	**13**	**13**
Loans and debts with lending institutions	-	2,621
Trade and related accounts payable	30,897	34,870
Outstanding payroll & payroll taxes	10,379	8,760
Debts on fixed assets and related accounts	-	-
Other debts	194,492	245,404
TOTAL DEBTS	**235,768**	**291,655**
Prepaid income	-	**81**
TOTAL LIABILITIES	318,364	347,046

Parent Company Income statement

INCOME STATEMENT *(in thousands of euros)*	**2022**	**2023**
Sales of goods	206	151
Services provided	*145,965*	*161,098*
Incidental income	*4,944*	*5,566*
Sale of services	150,909	166,664
NET REVENUES	**151,115**	**166,815**
Operating subsidies	5	10
Other income	-	2
OPERATING INCOME	151,120	166,827
Goods purchased	206	151
Other purchases and external expenses	148,959	163,610
Taxes, duties and similar payments	270	296
Salaries and wages	1,733	1,797
Payroll taxes	934	1,027
Allocations to amortization and depreciation on fixed assets	62	108
Contingency and loss provisions	-	-
Other expenses	18	14
OPERATING EXPENSES	152,182	167,003
OPERATING PROFIT/(LOSS)	(1,062)	(176)
Financial income from equity investments	35,982	-
Other interest and similar income	990	5,120
Write-backs on provisions for financial contingencies and expense transfers	-	-
Positive foreign exchange variations	-	-
FINANCIAL INCOME	36,972	5,120
Net financial allocations to amortization, depreciation and provisions	-	-
Interest and similar expenses	580	5,671
Negative foreign exchange variations	31	11
FINANCIAL EXPENSES	611	5,682
FINANCIAL PROFIT (LOSS)	36,361	(562)
PRETAX INCOME FROM ORDINARY BUSINESS	35,299	(738)
Non-recurring income from management operations	-	-
Non-recurring income from capital operations	1,809	-
NON-RECURRING INCOME	1,809	-
Non-recurring expenses on management operations	-	8
Non-recurring expenses on capital operations	553	-
NON-RECURRIN EXPENSES	553	8
NON-RECURRING PROFIT/(LOSS)	1,256	(8)
Corporate income tax	168	(108)
TOTAL INCOME	**189,901**	**171,947**
TOTAL EXPENSES	**153,514**	**172,585**
PROFIT/(LOSS)	36,387	(638)

5.2. NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. INTRODUCTION

The Company's annual financial statements for the year ended December 31, 2023 were prepared according to generally accepted accounting principles in compliance with the regulations in force, resulting from the application of Regulation No. 2016-07 of November 4, 2016.

2. ACCOUNTING RULES AND METHODS

2.1. Intangible assets

Software acquired for in-house use is depreciated based on the straight-line method over its estimated useful life from one to five years.

2.2. Tangible assets

Tangible assets are valued at their acquisition cost. They are depreciated according to the following methods:

Fixtures and installations	Straight-line 5 to 10 years
Transportation equipment	Straight-line 2 to 4 years
Computer hardware	Declining balance and straight-line 3 to 5 years
Office equipment	Straight-line 5 to 10 years

2.3. Financial assets

Capitalized securities are valued at their acquisition cost. A provision for impairment is recognized when the security's value in use is less than its acquisition cost. When the share of net assets held is less than the acquisition cost at the balance sheet date, the value in use is assessed using a DCF approach and a multiple of operating income.

As at December 31, 2023, no impairment of equity investments was required.

2.4. Receivables and debt

Receivables and debt are valued at their nominal value.

If necessary, a provision for impairment is made on a case-by-case basis when the fair market value is less than the book value.

2.5. Marketable securities and cash and cash equivalents

Marketable securities recorded in assets correspond to historical acquisition prices.

Accrued interest on commercial paper and certificates of deposit are booked prorata temporis over the accrual period until the closing date.

If necessary, a provision for impairment is made on a case-by-case basis when the fair market value is less than the book value.

3. NOTES TO THE BALANCE SHEET

3.1. Intangible assets

(in thousands of euros)	12/31/22	+	Reclassification	−	12/31/23
Dealerships, patents and licenses	119	12	19		150
Goodwill	-	-	-	-	-
Other intangible assets	19	-	(19)	-	-
TOTAL GROSS VALUES	138	12	-	-	150
Amortization of concessions, patents, licenses	(101)	(19)	-	-	(120)
TOTAL DEPRECIATION	(101)	(19)	-	-	(120)
TOTAL NET VALUES	37	7	-	-	30

3.2. Tangible assets

(in thousands of euros)	12/31/22	+	−	12/31/23
Fixtures and installations	753	17	-	770
IT and office equipment	130	-	-	130
Fixed assets under construction and advances	-	-	-	-
TOTAL GROSS VALUES	883	17	-	900
Depreciation of fixtures and fittings	(185)	(76)	-	(261)
Amortization of IT and office equipment	(80)	(12)	-	(92)
TOTAL DEPRECIATION	(265)	(88)	-	(353)
TOTAL NET VALUES	618	(71)	-	547

3.3. Financial assets

(in thousands of euros)	12/31/22	+	−	12/31/23
Equity investments	79,974	500	-	80,474
Other financial assets	583	21	-	604
TOTAL GROSS VALUES	80,557	521	-	81,078

The following changes in investments occurred during the year ended December 31, 2023:
- acquisition of around 0.6% of Codilog's capital (from three managers of this subsidiary);
- acquisition (from an executive of a Helpline subsidiary) of just over 0.07% of Helpline's capital.

The other financial assets include €572,000 in funds made available to the share liquidity contract and the balance in security deposits.

3.4. Trade accounts and notes receivable

(in thousands of euros)	12/31/22	12/31/23
Trade receivables	35,713	40,079
Unbilled revenue	110	154
GROSS TOTAL	35,823	40,233
Impairment	-	-
NET TOTAL	35,823	40,233

3.5. Maturity of receivables at year-end

(in thousands of euros)	More than 1 year	Less than 1 year	Gross amount
Other financial assets	413	-	413
TOTAL FIXED ASSETS	413	-	413
Suppliers – credit notes receivable	-	43	43
Personnel	-	4	4
Trade accounts and notes receivable	-	40,233	40,233
Tax receivables	-	6,517	6,517
Debit current accounts	-	11,000	11,000
Other receivables	-	7	7
TOTAL CURRENT ASSETS	-	57,804	57,804
Prepaid expenses	-	88	88
TOTAL	413	57,892	58,305

Current accounts are used to record movements relating to corporate income tax (tax expense, payment on account and settlement of tax) under the tax consolidation scheme set up between NEURONES and subsidiaries belonging to the tax consolidation group.

They are also used to record cash movements, primarily within the framework of the cash pooling agreement (with the transfer of capital in value via a mirror account) between NEURONES and the subsidiaries that are part of this agreement.

3.6. Marketable securities

	12/31/22		12/31/23	
(in thousands of euros)	Purchase value	Net asset value	Purchase value	Net asset value
Monetary funds	2,026	2,115	18,526	18,703
Term deposits	152,564	152,814	186,659	187,995
TOTAL MARKETABLE SECURITIES	154,590	154,929	205,185	206,698

3.7. Shareholders' equity

3.7.1. Capital

At December 31, 2023, the share capital amounted to €9,711,486.40 and was made up of 24,278,716 fully paid-up shares of the same class, with a face value of €0.40.

The delivery of the H bonus share plan on September 9, 2023 led to the creation of 50,500 new shares, resulting in an increase in share capital of €20,200 by incorporation of sums taken from "Additional paid-in capital".

Number of shares in circulation at 01/01/2023	Increase	Decrease	Number of shares in circulation at 12/31/2023
24,228,216	50,500	-	24,278,716

3.7.2. Share-based compensation

Bonus share attribution plans

The Shareholders' meeting of June 4, 2020 authorized the Board of Directors to attribute a bonus share plan for up to 120,000 common shares. On September 9, 2020, the Board of Directors made partial use of this delegation (valid for a period of twenty-four months) by attributing 54,500 bonus shares (Plan H).

The Shareholders' meeting of June 2, 2022 authorized the Board of Directors to attribute a bonus share plan for up to 240,000 common shares. On June 2, 2022, the Board of Directors made partial use of this delegation (valid for a period of twenty-four months) by attributing 50,000 bonus shares (Plan I).

The various bonus share plans decided by the Board of Directors, which are still subject to a vesting and/or holding period at December 31, 2023, have the following characteristics:

	Bonus share plan H	Bonus share plan I
Date of the Shareholders' Meeting	06/04/20	06/02/22
Date of the Board of Directors meeting	09/09/20	06/02/22
Vesting period term	09/09/23	06/02/25
Holding period term	09/09/25	06/02/27
Number of beneficiaries	12	10
- of which executives	-	-
Number of bonus shares attributed	54,500	50,000
Cumulative number of expired shares at 12/31/2022	4,000	-
Number of shares in the vesting period at 01/01/2023	-	50,000
Number of shares expired during the vesting period over the year	-	-
Number of shares in the vesting period at 12/31/2023	-	50,000
Number of shares in the holding period at 01/01/2023	-	-
Number of shares in the holding period at 12/31/2023	50,500	-
Potential dilution (excluding cancelled options) - % of capital at 12/31/2023	-	0.21%
TOTAL POTENTIAL DILUTION		0.21%

No performance conditions have been set for the above-mentioned plans.

The main criteria used to measure the fair value of options and bonus shares for plans attributed after November 7, 2002 (date when a new accounting standard applicable to stock options and other share-based payments took effect) are as follows:

	Bonus share plan H	Bonus share plan I
Life span	3 years	3 years
Volatility	N/A	N/A
Risk-free rate	0%	0%
Dividend payout rate	1%	1%

Fair value of bonus share plans

Based on the Black & Scholes model, the options' unit fair values are as follows:

Plan and date of the Board of Directors meeting *(euros)*	Final attribution date	Exercise price	Fair value	Price at the final attribution date (euros)
September 9, 2020 (plan H) – Bonus shares	09/10/23	-	-	38.15
June 2, 2022 (Plan I) – Bonus shares	06/02/25	-	36.3	-

3.7.3. Changes in shareholders' equity

(in thousands of euros)	12/31/22	+	−	12/31/23
Share capital	9,691	20	-	9,711
Merger premium	30,614	(21)	-	30,593
Legal reserve	971	-	-	971
Retained earnings	4,920	36,387	26,647	14,660
Profit for FY 2022	36,387	-	36,387	-
Profit/loss for FY 2023		(638)	-	(638)
TOTAL SHAREHOLDERS' EQUITY	**82,583**	**35,748**	**63,034**	**55,297**

The main variations are:
- the delivery of the H bonus share plan on September 9, 2023 led to the creation of 50,500 new shares, resulting in an increase in share capital of €20,200 by incorporation of reserves taken from "Additional paid-in capital".
- dividend distribution (€1.1 per share) representing €26,646,638.
- allocation of the result to retained earnings.

3.8. Provisions for contingencies and expenses

(in thousands of euros)	12/31/22	+	−	12/31/23
Contingency Provision	13	-	-	13
TOTAL GROSS VALUES	**13**	**-**	**-**	**13**

3.9. Accrued income and expenses

(in thousands of euros)	12/31/22	12/31/23
Suppliers: credit notes receivable	4	43
Unbilled revenue	110	154
Other accrued income	115	-
Accrued interest receivable	250	1,336
TOTAL ACCRUED INCOME	**479**	**1,533**
Trade and related accounts payable	158	277
Outstanding payroll & payroll taxes	974	757
Clients - Credit notes to be issued - Advances	108	101
Other debts	18	543
TOTAL ACCRUED LIABILITIES	**1,258**	**1,678**

3.10. Maturity of receivables

(in thousands of euros)	More than 1 year	Less than 1 year	Gross amount
Loans with credit institutions	-	2,621	2,621
Loans and other financial liabilities	-	-	-
Trade and related accounts payable	-	34,870	34,870
Outstanding payroll & payroll taxes	-	8,760	8,760
Credit current accounts	-	244,741	244,741
Other debts	-	663	663
TOTAL	**-**	**291,655**	**291,655**

Current accounts in credit correspond to the subsidiaries' cash invested in the Group's cash pool or in interest-bearing current accounts.

4. NOTES TO THE INCOME STATEMENT

4.1. Analysis of revenue

(in thousands of euros)	2022	(as %)	2023	(AS %)
Re-invoicing of services provided by group entities to clients under contract with the parent company	146,172	97%	161,249	97%
Management fees	2,685	1.5%	2,765	1.5%
Re-invoicing of other services and shared purchases	2,258	1.5%	2,801	1.5%
TOTAL	**151,115**	**100%**	**166,815**	**100%**

100% of revenues are generated in France.

4.2. Analysis of financial income and expenses

Financial income is primarily made up of interest and net proceeds from the disposal of mutual funds and term deposits representing €4,849,000.

Financial expenses are primarily made up of interest on the cash pool between NEURONES and some of its subsidiaries, amounting to €5,150,000.

4.3. Analysis of non-recurring income and expenses

There was no non-recurring income, and the amount of exceptional expenses (€8,000) was not significant.

4.4. Breakdown of income tax

	2022	2023		
(in thousands of euros)	Income after tax	Income before tax	Tax	Income after tax
Profit from ordinary business	35,162	(738)	2	(736)
Extraordinary income	1,294	(8)	3	(5)
Tax consolidation expense	(69)	-	103	103
TOTAL	**36,387**	**(746)**	**108**	**(638)**

5. OTHER INFORMATION

5.1. Security given

None.

5.2. Pension liabilities

At December 31, 2023, the amount of commitments related to retirement benefits was valued based on the retrospective method, but was not recorded in the company financial statements. The amount of commitments at the end of December 2023 amounted to €102,000.

5.3. Other off-balance sheet commitments

None.

5.4. Degree of exposure to interest rate and foreign exchange risks

The nature of our financial investments does create any interest rate risk. Moreover, due to the nature of its business, conducted in France and invoiced in euros, NEURONES SA is not exposed to foreign exchange risks.

5.5. Average number of employees

	2022	2023
Managers	17	17
Employees	6	6
TOTAL	**23**	**23**

5.6. Remuneration of officers and directors

Members of NEURONES' Board of Director were paid total remuneration of €538,000 in FY 2023.

5.7. Increase and reduction of the future tax debt

(in thousands of euros)	12/31/22	12/31/23
C3S	205	229
Unrealized capital gains or losses on mutual funds	89	177
TOTAL RE-INTEGRATIONS FOR THE YEAR TO BE DEDUCTED IN THE FOLLOWING YEAR	**294**	**406**

5.8. Tax scheme for Group companies

Since January 1, 2022, the NEURONES Group has opted for tax consolidation for the years 2022 to 2025.

Methods of distributing the corporate tax based on the entire Group's profit are as follows:
- the consolidated companies, subsidiaries and parent, support the tax burden as if there is no tax consolidation. Consequently, this expense is calculated based on each company's own taxable income after charging all of their prior losses.
- the parent company retains all tax savings earned by the Group due to losses. The parent company also keeps any non loss-linked savings earned by the Group.

Difference between the tax booked and the tax incurred without tax consolidation *(in thousands of euros)*	2022	2023
Tax booked	(172)	5
Tax born without tax consolidation	(103)	106

5.9. Identity of the company preparing the consolidated financial statements

This is the parent company, NEURONES S.A., head of the group.

5.10. Fees billed by the statutory auditors

(in thousands of euros)	BMA	KPMG
Statutory auditors	26	26
Missions directly related to the statutory auditors	15	1
TOTAL FEES	**41**	**27**

5.11. Diluted and undiluted earnings per share

(in euros)	2022	2023
Net corporate income	36,386,781	(637,977)
Undiluted earnings per share	1.50	(0.03)
Diluted earnings per share	1.50	(0.03)

5.12. Subsequent events

None.

5.3. INFORMATION ON EQUITY INVESTMENTS

COMPANY *(in thousands of euros)*	Capital	Other shareholders' equity	Share of capital held *(as %)*	Carrying amount of securities held		Loans & advances granted	Security and guarantees given	Revenues	Net profit	Dividends received by the parent company
				Gross	Net					
I – SUBSIDIARIES (more than 50% owned)	-	-	-	-	-	-	-	-	-	-
Arondor	202	6,703	58.1%	3,870	3,870	-	-	23,417	546	-
AS International Group	562	22,756	97.3%	12,006	12,006	-	-	6,090	7,541	-
Codilog	6,372	24,433	76.5%	6,325	6,325	-	-	40,294	4,143	-
Dataquantic	250	593	100%	250	250	-	-	3,147	232	-
Edugroupe	4,190	6,171	99.6%	5,247	5,247	-	-	7,649	729	-
Finaxys	438	17,210	76.1%	2,783	2,783	-	-	37,072	2,642	-
Helpline	1,113	117,873	91.7%	5,245	5,245	-	-	201,883	17,635	-
Dragonfly	1,036	28,104	94.1%	5,638	5,638	-	-	1,424	3,535	-
Karré	220	2,969	51%	112	112	-	-	8,954	1,926	-
NEURONES Consulting	40	8,416	100%	40	40	-	-	0	2,255	-
NEURONES IT	33,357	43,100	96.4%	30,033	30,033	-	-	60,823	3,096	-
RS2i	687	21,040	98.9%	8,924	8,924	-	-	23,497	3,978	-
II – EQUITY INVESTMENTS (10 to 50% held)	-	-	-	-	-	-	-	-	-	-
III – OTHER SECURITIES	-	-	-	-	-	-	-	-	-	-
TOTAL				80,474	80,474	-	-			-

* Before distribution but after allocation of 2023 earnings.

5.4. AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

To the attention of the Shareholders' Meeting of NEURONES S.A.,

Opinion

In accordance with the terms of our appointment at your Shareholders' Meetings, we have audited the accompanying annual financial statements of NEURONES S.A. for the fiscal year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the company as at December 31, 2023 and of the results of its operations for the year ended, in accordance with the accounting rules and principles applicable in France.

The opinion expressed above is consistent with our report to the audit committee.

We applied the procedures that we deemed necessary to comply with the professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this mission. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it was taken.

Basis for opinion

Audit framework

We conducted our work in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Our responsibilities according to the aforementioned standards are further described in the “Statutory Auditors’ Responsibilities for the audit of the annual Financial Statements” section of our report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from January 1, 2023 to the date of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

Basis of our assessments – Key points of the audit

In accordance with the provisions of Articles L.821-53 et R.821-180 of the French Commercial Code concerning the justification for our assessments, we are obliged to bring to your attention the key points of the audit relating to risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the current period, as well as how we addressed those risks.

We identified that there were no key audit issues to report.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

Information provided in the management report and in the other documents on the financial situation and the annual financial statements sent to the shareholders

We have no matters to report as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the other documents relating to the financial position and the financial statements addressed to the shareholders.

We hereby certify that the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code is accurate and consistent with the financial statements.

Report on corporate governance

We hereby certify that the section of the Board of Directors' management report dealing with corporate governance contains the information required by Articles L. 225-37-4, L. 22-10-9 and L. 22-10-10 of the French Commercial Code.

Concerning the information provided in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to remunerations and benefits paid or granted to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the data used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it, and which are included in the scope of consolidation. Based on our work, we attest to the accuracy and fairness of this information.

Concerning the information relating to items that your company considered likely to have an impact in the event of a public tender offer or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we have verified its consistency with the documents from which it was extracted, and which were given to us. On the basis of our work, we have no matters to report on this information.

Other information

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders and holders of voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Presentation format of the annual financial statements to be included in the annual financial report

In accordance with the professional standard on the due diligence of statutory auditors in relation to the annual consolidated financial statements, presented in accordance with the Single European Electronic Reporting format, we also verified that the consolidated financial statements 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, which are established under the responsibility of the Chairman and Chief Executive Officer, comply with this format as defined by the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the annual financial statements included in the annual financial report complies with the Ssingle European Electronic Reporting format in all its material respects.

It is not our responsibility to verify that the annual financial statements which will be included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of the auditors

KPMG S.A. and BM&A. were appointed statutory auditors of NEURONES S.A. by the Shareholders' Meeting on June 25, 2004 and on June 30, 1997 respectively.

At December 31, 2023, KPMG SA was in the 20th uninterrupted year of its assignment and BM&A in its 27th year, thus representing periods of 20 and 24 years respectively since the Company's securities were listed on a regulated stock exchange.

Responsibilities of the management and the people charged with the company's governance in relation to the annual financial statements

The Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting rules and principles, and for such internal control as the management deems necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, if necessary, any matters related to the going concern and using the going concern basis of accounting, unless there are plans to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The Board of Directors has approved the annual financial statements.

Statutory auditors' responsibilities for the audit of the annual financial statements

Audit objectives and approach

Our responsibility is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when there is one. 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 consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our account-certification mission does not involve guaranteeing 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 auditor applies its professional judgment throughout the audit. And furthermore:

- identifies and assesses the risks of material misstatements in the annual financial statements, whether due to fraud or error, defines and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, willful omission, misrepresentation or circumvention of internal control;
- reviews the internal control relevant to the audit in order to define audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assesses the appropriateness of the management's application of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of its audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- assesses the overall presentation of the annual financial statements and whether those statements represent the underlying transactions and events in a manner that provides a fair presentation;

Report to the audit committee

We submit a report to the audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements for the year and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the statement provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence, within the meaning of the rules applicable in France, notably as defined by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the audit Committee the risks that may be reasonably thought to bear on our independence and the related safeguards.

The Statutory Auditors

Paris La Défense, April 25, 2024

KPMG S.A.
Camille Mouysset
Associate

Paris, April 25, 2024

BM&A
Thierry Bellot
Partner

Céline Claro
Associate

❻ Corporate governance

This report on corporate governance has been prepared in accordance with the provisions of Articles L.225-37 and L.22-10-8 et seq. of the French Commercial Code. It should be noted that as a medium-sized Group, with a majority shareholder among the senior executives, NEURONES has chosen to refer to MiddleNext's Corporate Governance Code (published in December 2009 and which was last revised in September 2021).

6.1. COMPOSITION OF THE BOARD OF DIRECTORS

At present there are seven directors on the Board of Directors:
- two members (CEO and the Executive Vice-President) have a full-time operational role in the Company,
- four outside directors, with no operational role in the Group, two of whom are considered independent,
- a director representing the employees (appointed by the Group Committee in June 2019).

Director	Independent director	Date of first appointment	End of current term of office	NEURONES shares held as at 03/30/2024 (% of capital)**
Luc de Chammard *(Chairman and CEO)*	No	December 5, 1984*	SM of June 6, 2024	515,954 (2.12%)
Bertrand Ducurtil *(Executive Vice-President)*	No	June 30, 1999	SM of June 6, 2024	551,000 (2.27%)
Jean-Louis Pacquement	Yes	December 5, 1984*	SM of June 6, 2024	5 (0%)
Hervé Pichard	No	October 15, 2004	SM of June 6, 2024	100 (0%)
Marie-Françoise Jaubert	Yes	June 9, 2011	SM of June 6, 2024	43 (0%)
Host Développement SAS *(represented by Daphné de Chammard)*	No	June 9, 2016	SM of June 6, 2024	11,169,013 (46%) Daphné de Chammard: 6,092 (0.03%)
Emmanuelle Canza *(representing employees)*	No	June 7, 2019	SM of June 6, 2024	0 (0%)

* NEURONES' founding date.
** No member of the Board holds any options on the Company's shares.

The powers of the Chairman & CEO and the Executive Vice-President are those provided for by law. The bylaws stipulate that the Board of Directors can limit these powers as an internal measure, which can't be enforced against third parties. This option has not been used.

The obligations relating to gender balance on the Boards of Directors are respected. Pursuant to article L.225-18-1 of the French Commercial Code, the difference between the number of directors of each gender is not greater than two.

Marie-Françoise Jaubert and Jean-Louis Pacquement are considered as independent directors based on the MiddleNext Code that NEURONES adheres to. They have never been employees, executive officers, customers, suppliers or auditors of the company or of a group company, and have no family ties to a corporate officer or a reference shareholder. Lastly, they are not themselves majority shareholders of the Company. Therefore, no financial, contractual or family relationship is likely to alter the independence of their judgment.

Since these directors' term of office expires at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2023, a motion will be put to this Meeting to renew their term of office for one year, pursuant to the bylaws.

It should also be noted that based on the proposal of the Board of Directors, the Shareholders' Meeting of June 14, 2018 opted for the Group Committee to appoint the director representing the employees, in accordance with Article L.225-27-1 of the French Commercial Code. The term of office of this director is three years, tacitly renewable once for the same period, unless the Group Works Council decides not to renew it. In this case, it must appoint a new director whose term of office takes effect at the end of the Shareholders' Meeting called to approve the accounts for the previous financial year and held in the year in which the first three-year period expires. The term of office of the director representing employees will expire at the close of the Shareholders' Meeting of June 6, 2024, at which time the term of office of the new director designated by the Group Works Council will take effect for an initial period of three years.

Other offices held by the directors

The main function and other duties performed by the members of the NEURONES Board of Directors are described hereafter.

Chairman of the Board of Directors
Luc de Chammard, born on September 16, 1954
- Other offices held outside the Group:
  - Chairman and member of the Supervisory Board: Host Développement – 122, avenue Charles-de-Gaulle 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 339 788 713.

Executive Vice-President
Bertrand Ducurtil, born on April 11, 1960
- Other offices held in the Group :

- CEO: NEURONES Consulting – 205, Avenue Georges Clemenceau – 92000 Nanterre – Nanterre Register of Commerce No. 509 152 468.
- CEO: NG Cloud – 44, avenue Georges Pompidou – 92300 Levallois-Perret – Nanterre Register of Commerce No. 801 244 492.
- CEO: RS2i – 44, avenue Georges Pompidou – 92300 Levallois-Perret – Nanterre Register of Commerce No. 385 166 640.

- Other offices held outside the Group:
  - Member of the Supervisory Board: Host Développement.

Director
Marie-Françoise Jaubert, born on September 27, 1941, Honorary Magistrate.
Other non-Group mandates: none.

Director
Jean-Louis Pacquement, born on April 21, 1955, Senior Advisor for Lazard Frères Gestion Privée.

- Other offices held outside the Group:
  - CEO: JLP et Associés Conseil – 9, place du Palais Bourbon – 75007 Paris – Paris Register of Commerce No. 820 223 543.

Director
Hervé Pichard, born on May 20, 1955, lawyer admitted to the Hauts-de-Seine and New York bars

- Other offices held outside the Group :
  - CEO: Pichard et associés – 122, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 391 504 628.
  - Director: SECO Ressources et Finances – 122, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine – Nanterre Register of Commerce No. 429 837 172.
  - Director: UPM-Kymmene Groupe – 122, Avenue Charles-de-Gaulle 92200 – Neuilly-sur-Seine – Nanterre Register of Commerce No. 407 655 893.
  - Member of the Supervisory Board: Host Développement.

Director
Host Développement, represented by Daphné de Chammard, born on March 17, 1949.

- Other offices held outside the Group:
  - Chief Executive Officer and member of the Supervisory Board: Host Développement.

Experience of Board members (excluding senior executives)

Marie-Françoise Jaubert has proven experience in law and more specifically in private law. Daphné de Chammard (representing Host Développement SAS and spouse of Luc de Chammard) has 15 years of experience in HR and sales supervision. Jean-Louis Pacquement has significant experience in finance and mergers-acquisitions. Furthermore, he has the benefit of hindsight and the perspective of the “historic” director. Hervé Pichard brings his skills as a lawyer and company administrator and has been handling the company's main “corporate” cases for twenty-five years.

None of the directors above was employed by or maintained business relations with NEURONES, except Hervé Pichard, who is one of its lawyers.

6.2. HOW THE BOARD OF DIRECTORS OPERATES

Frequency of meetings

Beyond the two annual sessions closing the annual and half-yearly financial statements that the statutory auditors participate in and the meeting held at the end of the annual Shareholders' Meeting, the Board meets whenever the situation requires (e.g., opinion on potential acquisitions, decision to attribute bonus shares, calling an Extraordinary Shareholders' Meeting, contribution of assets, merger, etc.) and in any case at least four times per year.

The Board of Directors met four times in 2023:

Date	Agenda
March 8	• Audit Committee Report • Related-party agreements • Year-end closing of the company and consolidated financial statements for the 2022 fiscal year • Compensation of the CEO, the Executive Vice-President and other members of the Board • Management report and corporate governance report • Resolutions to be submitted to the next Shareholders' Meeting and convening of the latter • Various questions
June 8 (at the end of the Shareholders' Meeting)	• Renewal of the mandate of the Chairman of the Board and determination of his powers • Renewal of the Executive Vice-President's term of office • Compensation of the CEO and Executive Vice-President in view of the vote of the Shareholders' Meeting • Effective launch of a share buyback program • Opportunities and strategy for external growth • Various questions
September 6	• Approval of the consolidated financial statements for the half-year ended June 30, 2023 • Professional gender and salary equality policy • End of the vesting period for Plan H - subsequent capital increase • Various questions
December 12	• New share buyback program • Preventing and detecting corruption and influence peddling • Review potential conflicts of interest • Risk mapping • Review of the Sustainable Development Committee's work • Various questions

In 2023, the attendance rate of Board members was 93% (86% in 2022).

Operation

More than half the share capital and almost two-thirds of the voting rights are held by three directors, two of whom are also operational managers. Historically, there has always been a wide distribution of powers within the Board. Logically, therefore, no specific provision has been established to ensure that control of the Group is not misused.

The company is especially concerned about protecting the interests of minority shareholders since they include many executives and managers of the parent company and its subsidiaries.

In practice:

- all major decisions are taken in collegial discussions among senior executives and then with the Board of Directors,
- arrangements have been made for the Chairman's succession. In the event the CEO is unable to fulfill his duties, the long-standing plan has been that the Executive Vice-President, who has been in the Company since 1991, will succeed the CEO. This is regularly confirmed at Board meetings when the issue of management succession is discussed. In addition, the Board has noted that the successor to the Executive Vice-President, if necessary, could be found among certain executive officers of subsidiaries who have been with the Group for a long time and have good knowledge of its operations and businesses,
- the power of oversight is exercised as described in this chapter and the Board's rules of procedure,
- the Board's rules of procedure, initially adopted in June 2010 and updated in September 2016, were revised again in March 2022. Signed

by the members of the Board, it complies with the recommendations of the MiddleNext Code in this area. It provides a precise reminder of the role and missions of the Board and the specialized Committees, the ethical standards to be respected by the directors and the operating procedures of the Board to ensure compliance with the principles of good governance. It is published on the company's website.

To date there is no formal self-assessment of the Board's work. The reasons why no self-assessment has been conducted are explained in Chapter 6.5 of this Corporate Governance Report (see recommendation 13 of the MiddleNext Code).

Two specialized committees (Audit and Ethics and Compliance) have been set up in accordance with legal and regulatory requirements. Their role is outlined below and in the Board's rules of procedure. It should be noted that, unlike the Audit Committee, which is composed exclusively of Board members, the Ethics and Compliance Committee has not been set up within the Board, since its members are not Directors.

In addition, there are no plans to set up other specialized committees (compensation, strategy, etc.). The Board considers that, given the collegial nature of decision-making, the relatively modest size of the Group, its highly decentralized structure, the geographical proximity of the main subsidiaries, the fact that the directors have a stake in the company, the operational role of two of the six Board members and their high overall shareholding, the creation of committees reporting to the Board, with the exception of the Audit Committee and the Ethics and Compliance Committee, would have more disadvantages than advantages.

More specifically, as regards the establishment of a specialized CSER committee recommended by the MiddleNext Code, this essential issue is managed directly and concretely by the operating subsidiaries. A Sustainable Development Committee, under the responsibility of the Chief Financial Officer, has been managing the Group's CSER policy since 2012. Its precise role is defined in Chapter 2 of this document. The Sustainable Development Committee is adapted to the size and organization of the Group. It perfectly fulfils the role of a specialized committee, which could have been set up within the Board itself, by enabling projects to be selected, best practices to be shared between subsidiaries, results to be monitored and CSR objectives and initiatives to be reviewed. For many years, the Board has regularly addressed the subject of CSR. Since 2023, the Board has even carried out a formal review of the Sustainable Development Committee's work, actions and results.

Without prejudice to the reasons mentioned above, the Board does not exclude the creation of an ad hoc, temporary or permanent specialized committee, should the company's current situation so warrant.

The members of the Board, who are “persons holding managerial responsibilities” within the meaning of the European Market Abuse Regulation, as well as the “persons closely linked to them”, are subject to the legal provisions and the recommendation of the AMF concerning transactions involving the company's shares. Directors must refrain from trading, for their own account or for the account of third parties, during a so-called “blackout period” or “negative window” starting thirty calendar days before the publication of the annual and half-yearly results press release. A fifteen-day cooling-off period before the publication of the quarterly information must also be observed by the directors. Each member of the Board must, at all times, strictly refrain from carrying out transactions involving the company's shares if he or she is in possession of privileged information. No other negative or positive windows have been defined by the company. Directors are clearly informed of their obligation to report any transactions whose total amount exceeds €20,000 over the calendar year to the AMF, and to notify the company of this report.

Each director has undertaken, in particular through the Board's internal regulations, to inform the Chairman of any conflict of interest situation in which he or she may find himself or herself. Before each Board meeting, depending on the agenda, each member must declare any conflicts of interest and refrain from participating in the vote during any deliberation directly or indirectly concerning a conflict of interest and even from attending the debates. In any event, the Board shall make all reasonable inquiries and take action proportionate to the situation (clear statement of reasons, removal of the member concerned from the meeting to ensure that the decision is in the best interests of the company). These measures allow for both the protection of the individual interest of each Board member and the strengthening of the Board's authority. An annual procedure for disclosing and monitoring conflicts of interest has been put in place, with the subject being placed on the agenda each year. On this occasion, the various situations that may lead to a conflict of interest are reviewed and each director must confirm that he or she is not potentially or actually in such as situation. In this case, the Board shall establish a follow-up procedure.

Apart from certificates and services rendered in application of legal or regulatory texts, no services other than the certification of accounts have been entrusted to the company's statutory auditors.

Audit committee

The Committee is comprised of two directors, Hervé Pichard and Jean-Louis Pacquement, who chairs the committee.

Jean-Louis Pacquement, independent director, and Hervé Pichard have considerable experience and proven skills in financial and accounting matters. The Audit Committee met twice in 2023, with both members present. The Board followed their recommendations. Concerning the statutory auditors' supplementary report for FY 2023, the discussions between the members of the Audit Committee and the statutory auditors took place before their report was submitted.

The main objective of this Committee is to monitor issues concerning the preparation and control of the accounting and financial information. It acts under the collective responsibility of the members of the Board of Directors. The Committee does not relinquish its decision-making power to the Board but defers and reports to it. Neither does it supersede the officers' prerogatives.

Without prejudice to the competences of the Board of Directors and senior management, the Audit Committee is responsible in particular for the following assignments:

- monitor the financial reporting process and, where appropriate, make recommendations to ensure its integrity,
- ensure the relevance, consistency and reliability of the company's accounting policies, including a review of any changes to those policies,
- monitor the effectiveness of internal control and risk management systems concerning procedures related to the preparation and treatment of accounting and financial information,
- update the risk mapping on the above items, reviewed and approved by the Board once a year,
- examine significant risks and off-balance sheet commitments, assess any weaknesses and inform the Board if necessary,
- issue a recommendation on the statutory auditors proposed for appointment by the Shareholders' Meeting or in the event of a proposal to renew their appointment,
- monitor the statutory auditors' performance of their assignment and take into account the conclusions of the French High Authority for Auditing (H2A), following the controls carried out in accordance with the regulations,
- ensure that the statutory auditors comply with the independence criteria under the conditions and in accordance with the terms and conditions provided for by the regulations,
- ensure that statutory auditors comply with the legal and regulatory provisions relating to the incompatibilities of the profession, and in particular with rotation obligations,
- approve in advance the provision of “Services Other than the Certification of the Financial Statements” by the statutory auditors, it being specified that the total amount of these services over a fiscal year

may not exceed 70% of the average amount of the statutory auditors' fees for the last three fiscal years for the legal certification of the financial statements,
- ensure that independent directors receive no compensation other than that provided for in respect of their duties as directors,
- report regularly to the Board on the performance of its assignments and immediately inform the Board of Directors of any problems encountered. It also reports the results of the financial statements certification assignment, how this assignment contributed to the integrity of the financial information and the role it played in this process.

The Audit Committee has made sure that the statutory auditors are independent.

It may, if the conditions and situation warrant it, rely on special training courses and experts. However, the Board of Directors must first approve such uses. The Audit Committee may meet with the statutory auditors as well as all members of the Group's finance departments, whenever it deems it necessary.

Board of Director's work (closing financial statements)

The financial statements (balance sheet, income statement and notes) are generally drawn up at the end of January (for the annual financial statements) and the end of August (for the half-yearly financial statements). The finance department prepares them and they are initially approved by the two directors who have an operational role in the Group.

These financial statements are then sent to:
- on the one hand, to outside directors, who have several days before the Board meeting to ask the other two directors or the financial department any questions they may have. Furthermore, the members of the Audit Committee may meet with the statutory auditors or the finance department,
- and to the statutory auditors who carry out their audit work.

At the end of their audit, a summary meeting is held with at least one director (usually the Executive Vice-President), the Group Chief Financial Officer and the statutory auditors. The statutory auditors share their observations and, if necessary, any requested adjustments. These points are discussed and, with the statutory auditors' agreement, the financial statements are presented to the Board of Directors. Before the meeting, the statutory auditors submit their supplementary report to the Audit Committee. On this occasion, the statutory auditors report to the Audit Committee on the scope and conclusions of their assignments as well as their comments. The Audit Committee may then question the statutory auditors on a key issue addressed in the report. The objective of the supplementary report is to strengthen the value of the legal audit of the financial statements by improving the communication between the statutory auditors and the members of the Audit Committee.

During the Board of Directors meeting, the Audit Committee presents the conclusions of its assignments to the other directors, starting with the follow-up of questions concerning the preparation and control of the accounting and financial information. When necessary, it formulates recommendations to ensure the integrity of these processes and to improve the review of the internal control work.

It then presents to the Board of Directors:
- the main figures (income items, presentation of the balance sheet and financial situation).
- the accounting principles and methods used,
- the main accounting options adopted,
- the impacts of possible changes in methods,
- changes in the scope of consolidation.

The annual company and consolidated financial statements or the half-yearly consolidated financial statements, as the case may be, are then approved by the Board of Directors, and the annual company and consolidated financial statements are then submitted to the Shareholders' Meeting for approval.

Ethics and compliance committee

In accordance with French Law 2016-1691 of December 9, 2016 on transparency, combating corruption and modernizing economic life (known as the Sapin II Law), in 2017 the Board approved measures and procedures to be implemented within the Group to prevent and combat corruption and influence peddling.

In particular, the Board approved the creation of an Ethics and Compliance Committee, composed of the General Counsel and the Group Chief Financial Officer and chaired by the latter. This Committee is therefore not established within the Board. Its mission is to receive reports from Group employees, customers, subcontractors and suppliers of potential or actual non-compliance with the Code of Conduct. This committee specifies the measures in force, the inappropriate behaviors and the best practices. A alert system appears to be the most effective mechanism for detecting a non-compliance. Protection is guaranteed for anyone who reports any proven failure to comply or any suspicious or ambiguous situation. It is also guaranteed for members of the Committee who cannot be sanctioned by their employer for fulfilling this assignment. In addition to its role of processing any reports received, investigating and giving an opinion on the compliance of reported practices with the Code of Conduct, the Committee:
- reviews, controls and monitors all of the Group's ethics and compliance practices,
- updates and evaluates at least annually the Ethics and Compliance Risk Map, as amended from time to time and approved annually by the Board,
- implements action plans following this evaluation,
- advises the Group on stakeholder relations on all matters relating to ethics and compliance.

Since 2019, the Ethics and Compliance Committee has presented an annual report to the Board on any difficulties encountered in implementing the measures and any alerts it may have received. In 2022, the Committee dealt with a detailed report received from a Group employee concerning the behavior of a prospect, which did not comply with the Group's Code of Conduct. In 2023, the Committee received no new reports.

The Committee may, more generally, be heard by the Board of Directors whenever the situation so warrants.

Related-party agreements

During the fiscal year 2023, no new regulated agreements, as defined in Article L.225-38 of the French Commercial Code, were entered into.

NEURONES S.A. carries some pooled expense on behalf of its subsidiaries: finance, legal, marketing and Group general management. These costs are covered by reinvoicing the companies concerned by this agreement, on a flat rate basis. This is the only regulated agreement entered into and authorized in a prior fiscal year that continued to be performed in FY 2023.

The flat-rate reinvoicing of these pooled expenses is consistent with the parent company's budget and the costs are distributed based on the projected revenues of the companies concerned by this agreement. The sums reinvoiced in this regard by NEURONES S.A. are indicated in the auditors' special report on related-party agreements.

As every year, on the occasion of the Board meeting to close the annual accounts, the directors reviewed existing agreements, directly or through an intermediary, between, on the one hand, one of the corporate officers of NEURONES S.A. or one of the shareholders with more than 10% of voting rights and, on the other hand, NEURONES S.A. or another company controlled within the meaning of article L.233-3 of the French Code of Commerce. The list of these agreements, drawn up by identifying the financial flows, and including the evaluation elements, is sent to the members of the Board by the Chief Financial Officer and the Executive Vice-President. The persons, if any, directly or indirectly interested in any of them, do not participate in the discussion. If the Board considers that an agreement is not or is no longer free, it will be subject to the regulatory regime for regulated agreements. The Board's most recent assessment according to these procedures did not reveal any regulated agreements other than the one mentioned above.

The other existing agreements are unrestricted and not regulated within the meaning of the legal and regulatory provisions. They relate to current operations concluded under normal conditions. Moreover, due to their purpose and their financial implications, these voluntary agreements are not significant for any of the parties.

Depending on the configuration and the amounts involved, the Board may decide that an independent expert opinion is required.

6.3. CORPORATE OFFICERS' COMPENSATION AND BENEFITS

In accordance with legal and regulatory provisions, the Shareholders' Meeting must vote ex ante on the compensation policy, presented below, for company officers, whether they are executives or not.

In accordance with Article L.22-10-34 of the French Commercial Code, the remuneration of company officers is also subject to an ex post vote by the Meeting on the information relating to the remuneration referred to in I of Article L.22-10-9. This information is also presented in this section.

Lastly, the compensation paid or awarded to the Chairman and Chief Executive Officer during or for the fiscal year 2023 is subject to an ex post vote by the Meeting on the basis of a specific resolution. The same applies to the Executive Vice-President.

Compensation policy applicable to corporate officers, subject to an ex ante vote by shareholders at the Shareholders' Meeting of June 6, 2024 (Article L.22-10-8 of the French Commercial Code)

This section sets out the compensation and benefits of any kind that can be assigned to the Directors, the Chairman and Chief Executive Officer and the Executive Vice-President.

The compensation policy for corporate officers complies with legal and regulatory provisions and the MiddleNext Code for Corporate Governance. It is in line with the corporate interest and contributes to the Company's commercial strategy and sustainability.

The Board does not make any provision to derogate from its application, as set out in this paragraph, in accordance with the second paragraph of paragraph III of Article L.22-10-8 of the French Commercial Code. Where applicable, newly appointed corporate officers shall be subject to the provisions of the latest compensation policy approved by the Shareholders' Meeting, without the possibility of making any significant changes thereto prior to approval by the Shareholders' Meeting.

Measures to avoid and manage conflicts of interest are specified in the Board's policies and procedures and the issue is placed on the agenda of an annual Board meeting to disclose potential or actual conflicts of interest.

The implementation of the compensation policy, determined by the Board at its first meeting of the year, is subject to continuous monitoring.

In developing, monitoring and reviewing compensation policy, the Board takes into account the terms and conditions of compensation and employment of the Company's employees.

No exceptional compensation may be awarded to corporate officers, nor may benefits in kind be granted.

The corporate officers do not benefit from the allocation of stock options or bonus shares.

No contractual compensation is provided for termination of their term of office or change of duties. They do not receive any termination benefits in the event of retirement nor do they benefit from a supplementary defined contribution pension scheme.

There is no non-competition agreement between the company and a corporate officer.

The officers and directors or members of their families do not own, directly or indirectly, any assets, especially real estate, used by the Company or the Group.

No loans or collateral have been granted or formed in favor of members of administrative or management bodies.

Directors' compensation

Directors, other than senior executives and employee representatives, receive compensation for their participation in the work of the Board and the Audit Committee, or any other committee that may be created in the future. For this purpose, and in accordance with the law, each year a global sum is submitted to the Shareholders' Meeting for approval. For the 2024 fiscal year, the proposed amount is twenty-two thousand euros, an increase of two thousand euros on the amount proposed and approved in 2023.

Each member's share is paid at the end of the fiscal year. It does not, of course, include the compensation paid to executive company officers, who are paid exclusively in accordance with the compensation policy applicable to them, as detailed below.

With the exception of the latter, and the employee representative, each director will receive a fixed annual share of €2,000 for the current fiscal year. This will be increased (by two thousand euros) for members of committees, in particular the Audit Committee. A variable supplement (€500 for this year) will be charged for each participation in Board meetings.

The breakdown of the maximum overall amount allocated by the Shareholders' Meeting takes into account the time spent in the position (including, for example, the supplement for participation in the Audit Committee) and values professionalism and involvement. The variable portion, which may represent half of the total compensation, is an incentive to encourage regular attendance.

The actual amount owed each director for the previous year is calculated and paid at the beginning of the year. Any balance remaining from the maximum sum allocated by the Shareholders' Meeting is not redistributed. Conversely, in the event that the annual budget voted by the Shareholders' Meeting is exceeded, the portion paid to each director concerned will be capped in proportion to the amounts due. At its first annual meeting, the Board approves the individual amounts and their payment.

In addition, directors are reimbursed for any expenses incurred in the exercise of their mandate.

Senior executives' compensation

The executive compensation policy, which is subject to approval by the Shareholders' Meeting of June 6, 2024, is consistent with that approved by the Shareholders' Meeting of June 8, 2023.

Each executive (Chairman and Chief Executive Officer and Executive Vice-President) is to receive a fixed cash amount of two hundred and sixty thousand euros per year in 2024, which is identical to 2023, divided into twelve monthly payments over the calendar year. This amount was set by the Board at its first annual meeting. It may be reconsidered at the meeting following the Annual Shareholders' Meeting asked to approve the financial statements, depending on the vote of the Annual Shareholders' Meeting.

These amounts are fixed and therefore exclude any variable (short, medium or long term) or exceptional component and any benefit in kind, whether immediate or deferred.

The reasonableness of these amounts is in the social interest. In addition, they are well within the range of amounts observed in the sector, when compared with those of companies of similar size and/or performance, given the size and complexity of the group and the experience of the people concerned. Their rationale is confirmed when comparing them with the compensation of the senior executives of the other companies in the Group.

This compensation is therefore balanced, consistent and measured, taking into account both the Company's short and medium-term performance, even though it is not directly indexed to the latter. The same qualifiers apply if they are reconciled with the Group's general policy on salaries, including senior executives, to market practices or to NEURONES' overall interest.

Balance, extent and comparability with the compensation of sector companies of comparable size and/or performance and consistency with the salary hierarchy in Group companies are the main principles that structure the compensation of the executive corporate officers. They also benefit from the collective death and disability insurance scheme in force for employees and corporate officers of other Group companies, as well as the joint health insurance scheme.

Elements of the compensation policy per corporate officer

The following table summarizes, for each corporate officer, the elements of compensation and the minimum information required by paragraph II of Article R.22-10-14 of the French Commercial Code:

	Luc de Chammard Chairman and CEO	Bertrand Ducurtil Executive Vice-President	Jean-Louis Pacquement	Hervé Pichard	Marie-Françoise Jaubert	Host Développement SAS, represented by Daphné de Chammard	Emmanuelle Canza (representing employees
Fixed remuneration	Paid in 12 monthly instalments during the fiscal year	Paid in 12 monthly instalments during the fiscal year	Paid in one instalment at the start of the fiscal year following	Paid in one instalment at the start of the fiscal year following	Paid in one instalment at the start of the fiscal year following	Paid in one installment at the beginning of the following fiscal year	No compensation linked to his mandate
Variable compensation	No	No	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	Paid at the same time as the fixed compensation	No compensation linked to his mandate
Exceptional compensation	No	No	No	No	No	No	No
Bonus shares or options	No	No	No	No	No	No	No
Duration and end of term	1 year/SM of June 6, 2024	1 year/SM of June 6, 2024	1 year/SM of June 6, 2024	1 year/SM of June 6, 2024	1 year/SM of June 6, 2024	1 year/SM of June 6, 2024	6 years*/SM of June 6, 2024
Employment contract with the Company	No	No	No	No	No	No	No (employee of a company subsidiary)
Supplementary pension plan	No	No	No	No	No	No	No
Allowances or benefits due to termination or change of duties	No	No	No	No	No	No	No
Indemnities relating to a non-competition clause	No	No	No	No	No	No	No
Benefits in kind	No	No	No	No	No	No	No
Group benefits and health expenses plan	Group plan benefits applicable to Group employees	Group plan benefits applicable to Group employees	No	No	No	No	Group plan benefits applicable to Group employees

* The Director representing employees is appointed by the Group Works Council.

Report on compensation (Article L.22-10-9 of the French Commercial Code)

Directors' compensation

Apart from their remuneration for their activity on the Board, non-executive directors do not receive any special benefits from the company or from a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code.

As the composition of the Board complies with the provisions of Article L.225-18-1 of the French Commercial Code on gender balance, the provisions of the second paragraph of Article L.225-45 of the French Commercial Code, which provide for the suspension of the payment of directors' compensation, did not apply during fiscal year 2023.

The members of the Board were remunerated for fiscal year 2023 in accordance with the remuneration policy for corporate officers approved by the Shareholders' Meeting. The total amount paid to the directors amounted to €18,000 (the same as in the previous year).

The remuneration paid to each member of the Board for the performance of his/her mandate in 2023 is as follows (with information for the previous year):

	Hervé Pichard		Jean-Louis Pacquement		Marie-Françoise Jaubert		Host Développement	
(in euros)	2022	2023	2022	2023	2022	2023	2022	2023
Fixed remuneration	3,000	3,000	3,000	3,000	2,000	2,000	2,000	2,000
Variable compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	5,000	5,000	5,000	5,000	4,000	4,000	4,000	4,000

Compensation paid or awarded to executive corporate officers during or for fiscal year 2023, benefits and other commitments

Executive compensation paid or awarded during or for fiscal year 2023 is in line with the policy approved by the Shareholders' Meeting of June 8, 2023 and contributes to the company's long-term performance.

During FY 2023, no payments were made to the Chairman and CEO or the Executive Vice-President for previous fiscal years.

The details of the compensation paid or awarded to each executive director for fiscal year 2023 are as follows, with the details for the previous fiscal year as a reminder:

	Luc de Chammard (Chairman and CEO)		Bertrand Ducurtil (Executive Vice-President)	
(in euros)	2022	2023	2022	2023
Fixed remuneration	240,000	260,000	240,000	260,000
Variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Compensation related to directorship	None	None	None	None
Options or shares granted during the year	None	None	None	None
Supplementary pension plan (defined benefit or defined contribution)	None	None	None	None
Indemnities for taking up or leaving office	None	None	None	None
Indemnities related to a non-competition clause	None	None	None	None
Amounts collected under the Group benefits and health expenses plan	None	None	None	None
Benefits in kind	None	None	None	None
TOTAL	240,000	260,000	240,000	260,000

All compensation due for FY 2023 was paid during the fiscal year.

No compensation was paid or attributed to executive corporate officers by a company included in the NEURONES consolidation scope as defined in article L.233-16 of the French commercial code.

Equity ratios

In accordance with the provisions of paragraphs 6 and 7 of Article L.22-10-9 of the French Commercial Code, the following table shows the average and median compensation paid to executive directors (on a full-time equivalent basis). The table also shows changes over five years in compensation, ratios and net income attributable to the Group. In accordance with the recommendation of the Middlenext Code on the definition and transparency of executive directors' compensation (to be strengthened when the Code is revised in 2021), ratios are added for comparison with the minimum wage, an independent reference value common to all companies.

(in thousands of euros)	2019	2020	2021	2022	2023
NEURONES' performance					
Net profit – Group share	30,799	30,918	37,700	44,243	49,410
Change	*+ 18.6%*	*+ 0.4%*	*+ 21.9%*	*+ 17.3%*	*+ 11.7%*
Minimum wage					
Gross annual minimum wage	18.3	18.5	18.8	19.7	20.8
Change	*+ 1.5%*	*+ 1.2%*	*+ 1.6%*	*+ 5%*	*+ 5.6%*
Employee compensation					
Average compensation	39.2	39.5	39.6	40.5	41.4
Change	*+ 0.8%*	*+ 0.8%*	*+ 0.3%*	*+ 2.3%*	*+ 2.2%*
Median compensation	36.25	36.5	36.2	34.5	37.9
Change	*+ 0.4%*	*+ 0.7%*	*- 0.8%*	*- 4.7%*	*+ 9.9%*
Chairman and CEO					
Compensation	220	220	220	240	260
Change	*0%*	*0%*	*0%*	*+ 9%*	*+ 8.3%*
Ratio/average compensation of employees	5.61	5.57	5.56	5.93	6.28
Ratio/median compensation of employees	6.07	6.03	6.08	6.96	6.86
Ratio/Minimum wage	12.05	11.91	11.73	12.18	12.50
Executive Vice-President					
Compensation	220	220	220	240	260
Change	*0%*	*0%*	*0%*	*+ 9%*	*+ 8.3%*
Ratio/average compensation of employees	5.61	5.57	5.56	5.93	6.28
Ratio/median compensation of employees	6.07	6.03	6.08	6.96	6.86
Ratio/Minimum wage	12.05	11.91	11.73	12.18	12.50

Methodology: the average compensation of employees was calculated by dividing total gross salaries worldwide by the average number of employees worldwide. It includes the fixed part and the variable part where applicable, but does not take into account any profit-sharing or incentive bonuses. The median/average ratio was calculated for France (91.5% in 2023) and then extended to the Group as a whole to determine median compensation.

6.4. SHAREHOLDERS' MEETINGS, CURRENT DELEGATIONS

Terms of participation in Shareholders' Meetings

Shareholders' Meetings are convened and deliberate in the conditions laid down by the legal and regulatory provisions.

Meetings are held either at the registered office or at another location specified in the advance notice and the notice of meeting.

Attendance at the meeting is open to any shareholder who can furnish evidence of shares registered in his name, or in the name of the intermediary duly registered on his behalf, two working days before the meeting at midnight, either in the registered share accounts or the bearer share accounts held by his authorized intermediary.

Shareholders may also vote by correspondence or by proxy according to the legal and regulatory conditions. To be counted in the ballot, the form for postal or proxy votes, accompanied by share-holding certificates for bearer shareholders, must have been received by the Company or by the establishment holding the registered share accounts at least three days prior to the date of the meeting.

The meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Director specially appointed for the purpose by the Board. Failing that, the meeting elects its Chairman.

Minutes of the meeting are taken and copies are certified and issued as required by law.

Shareholders' agreements/acts in concert

Shareholder agreements

None

Acts in concert

Luc de Chammard, his family and Host Développement (100% owned by the Chammard family) act in concert.

Bertrand Ducurtil and his children also act in concert.

Delegations of authority and powers in force during the year, granted by the Shareholders' Meeting to the Board and the corresponding use made of them during the year

Delegations of authority in force	Period of validity – End date of validity	Main conditions and ceilings	Use during the fiscal year
OSM of 06/02/2022 (ordinary resolution): Company acquisition of its own shares (article L.22-10-62 of the French Commercial Code)	18 months – 12/2/2023	10% of the total number of shares. Maximum unit purchase price: €55. Proportion of shares given as payment as part of acquisitions limited to 5% of the share capital.	Share price support: between January 1 and June 8, 2023, a total of 29,372 shares were acquired and 28,851 shares were sold under the liquidity contract.
OSM of 06/08/2022 (ordinary resolution): Company acquisition of its own shares (article L.22-10-62 of the French Commercial Code)	18 months - 12/08/2024	10% of the total number of shares. Maximum unit purchase price: €75. Proportion of shares given as payment as part of acquisitions limited to 5% of the share capital.	Share price support: between June 9 and December 31, 2023, a total of 38,765 shares were acquired and 41,239 shares were sold under the liquidity contract.
Shareholders' Meeting of 06/06/2019 (extraordinary resolution): Capital reduction by cancellation of treasury shares (articles L.225-204 and L.225-209 of the French Commercial Code)	60 months – 06/06/2024	10% of the capital per 24-month period	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Attributions of bonus shares, existing or to be issued (articles L.22-10-59, L.22-10-60 and L.225-197-1 et seq of the French Commercial Code)	24 months – 06/02/2024	Maximum: 240,000 shares	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Capital increase by issuing ordinary shares and/or any securities giving access to ordinary shares, with preemptive subscription rights, in cash or by offsetting debts and/or by incorporating reserves, premiums and profits through the allocation of bonus shares and/or by raising the par value of existing shares	26 months – 08/02/2024	Maximum nominal amount of shares issued ("overall ceiling" applying to this authorization and to the five subsequent ones): €9 million. Maximum nominal amount of debt securities ("overall ceiling" applying to this and the next five authorizations): €90 million.	Issue of 50,500 new shares in September 2023, allotted definitively to the beneficiaries of the H plan concerning the allocation of bonus shares.
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Capital increase by issuing, without preemptive subscription rights and by public offering, ordinary shares and/or any securities giving access, immediately or in the future, to ordinary shares to be issued, in cash or by offsetting debts.	26 months – 08/02/2024	The maximum nominal amount of shares issued and the maximum nominal amount of debt securities are deducted from the overall ceiling. Up to a maximum of 10% of the capital per 12-month period, issue price at least equal to the average of the prices for the last 20 trading days, with the possibility of a maximum discount of 10%.	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Capital increase by issuing ordinary shares and/or any securities giving access to ordinary shares to be issued, with cancellation of preemptive subscription rights and by private placement (article L.411-2 II of the French Monetary and Financial Code)	26 months – 08/02/2024	The maximum nominal amount of shares issued and the maximum nominal amount of debt securities are deducted from the overall ceiling. Total amount of immediate or future capital increases limited to 20% of the capital per year.	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Authorization to increase the amount of issues in the event of oversubscriptions	26 months – 08/02/2024	Within the overall ceiling, for each of the issues decided pursuant to the three preceding resolutions, the number of shares or securities to be issued may be increased if there is excess demand, up to a limit of 15% of the initial issue and at the same price.	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Authorization to increase the capital in consideration for contributions in kind consisting of equity securities or securities giving access to the capital	26 months – 08/02/2024	In compliance with the overall ceiling and within the limit of 10% of the share capital at the time of issue, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable.	Not used
Shareholders' Meeting of 06/02/2022 (extraordinary resolution): Authorization to increase the capital in the event of a public exchange offer initiated by the Company	26 months – 08/02/2024	Up to the overall limit.	Not used

All of the resolutions are available on the company website (www.neurones.net – Investors – Shareholders' Meetings).

6.5. COMPLIANCE WITH THE MIDDLENEXT CODE

As a medium-sized Group, with a majority shareholder among the senior executives, NEURONES has chosen to refer to the MiddleNext Corporate Governance Code. The following table shows its status in relation to all 22 recommendations of this Code (revised in September 2021):

MiddleNext Code recommendation	Compliance	Application procedures or reasons for non-application
R1: Director ethics	Y	The members of the Board comply with all the rules of ethics listed in the recommendation.
R2: Conflicts of interest	Y	The recommended actions and procedures are followed by the Board and its members.
R3: Composition of the Board of Directors – Presence of independent members	Y	The Board has two members who are presumed to be independent in accordance with the criteria set out in the Code (see Chapter 6.1 of the Corporate Governance Report on the composition of the Board).
R4: Board member information	Y	Prior to a Board meeting, the company provides the directors with all available information relating to the agenda in sufficient time to allow them to read it and ask any questions they may deem useful. More generally, the directors are provided with the information they need to know.
R5: Training of Board members	N	Although the Board has not yet implemented a training plan for its members, it does not rule out the possibility of doing so as soon as a need is identified. Most of our directors have extensive experience in business and corporate management.
R6: Organization of Board meetings and committees	Y	The frequency and duration of Board meetings and committees allow for review and discussion of the topics on the agenda. The physical presence of Directors is required when the meeting concerns the review of half-yearly or annual financial statements, or when it follows the Shareholders' Meeting (i.e. three meetings out of a minimum of four per year). Other sessions can be held by videoconference, a tried-and-tested method now used by Board members. Information on the meetings and composition of the Board is published in the Corporate Governance Report.
R7: Creation of committees	Y	Given the organization of the Group, an Audit Committee has been set up with qualified directors, while an Ethics and Compliance Committee has members who are not members of the Board and who can be called upon more easily when necessary.
R8: Establishment of a specialized CSER committee	N	Since 2012, the Sustainable Development Committee has been defining and reviewing CSER objectives and actions. The Board regularly discusses CSER issues and, since its meeting in December 2023, has carried out a formal review of the work conducted by the Sustainable Development Committee, although no specialized committee has yet been set up.
R9: Introduction of Board rules of procedure	Y	The Board's rules of procedure, which were last revised on March 9, 2022, are consistent with the recommendation. It is available on the company's website.
R10: Selection of each Board member	Y	Detailed information on candidates for appointment or reappointment as directors is readily available to shareholders. They are posted on the company's website prior to the Shareholders' Meeting and are also included in the Corporate Governance Report.
R11: Directors' term of office	Y	In practice and from experience, the statutory duration of terms of office (one year, renewable) is conducive to the Board's efficient operation. Due to this duration, the renewal of directors cannot be staggered.
R12: Remuneration of Board members for their mandate	Y	The thirteenth resolution of the next Shareholders' Meeting, called to approve the 2023 financial statements, provides for an overall sum to be set aside for the remuneration of directors. This sum will be distributed in accordance with the compensation policy, which defines objective distribution criteria and notably takes into account the regular involvement and investment of each Board member.
R13: Introduction of an assessment of the Board	N	To date there is no formal self-assessment of the Board's work. A small Board made up entirely of Paris-based directors means members can exchange and discuss with each other directly, thus ensuring smooth, efficient operation. A significant increase in the number of members, the appointment of directors who are geographically located far from one another, or if a member raised questions about how the Board operates, would all represent situations that could justify the implementation of a self-assessment.
R14: Relationship with shareholders	Y	Since the two directors – and their children with whom they act in concert – hold more than three quarters of the voting rights, the approval rates for resolutions are very high (between 93% and 100% in 2023). Nevertheless, negative votes are examined. In addition to professional meetings (investor fairs, presentations to analysts, etc.), which allow professionals to perfect their knowledge of the company, the managers communicate with shareholders who wish to do so, to provide them with any clarification deemed useful. All exchanges respect the equality of information of the shareholders.
R15: Policy concerning diversity and fair pay	Y	In view of the small number of employees within the parent company and the organizational structure of the group, the measures concerning diversity, fair pay and associated issues are handled at subsidiary level. The policies implemented and the results are partially and notably indicated in the "Diversity and inclusion" section of paragraph 2.4 of the Statement of Non-financial Performance (CSER report).
R16: Definition and transparency of the compensation of executive corporate officers	Y	The compensation policy for executive directors is based on the principles of comprehensiveness, balance and measurement, and consistency with market and Group practices, as well as with the company's performance. There are no variable elements in the remuneration of executives. Annual information to shareholders on this subject is transparent. The equity ratios, already published, have been supplemented by an equity ratio that allows for comparison with the minimum wage. All the information is presented in Chapter 6.3 of this corporate governance report.

MiddleNext Code recommendation	Compliance	Application procedures or reasons for non-application
R17: Preparation for the succession of executive officers	Y	The procedures for the succession of senior executives, the Chairman and Chief Executive Officer and the Executive Vice-President, are set out in the Board's internal regulations. The subject is regularly discussed by the Board.
R18: Corporate officers and employment contracts	Y	No employment contracts given to serving corporate officers.
R19: Golden handshakes	Y	No severance or non-competition payments.
R20: Supplementary retirement schemes	Y	No supplementary retirement schemes
R21: Stock-options and attribution of bonus shares	Y	The corporate officers have not benefited from the attribution of bonus shares since 2007 and no stock-options have been awarded since 1999.
R22: Review of crucial points to monitor	Y	At the meeting of September 9, 2020, the members of the Board expressly confirmed that they were aware of, had reviewed and adhered to the crucial points to be monitored set out in the MiddleNext Code, which had been sent to them beforehand. Following the revision of the Code in September 2021, the directors reviewed the points in their new version and made certain changes to the Board's Rules of Procedure. Each year, Board members are asked to confirm that they are mindful of and comply with these points to be monitored.

7 Shareholders and Combined Shareholders' Meeting of June 6, 2024

7.1. SHARE CAPITAL AND BREAKDOWN

Share capital

At December 31, 2023, the Company's share capital amounted to €9,711,486.40 divided into 24,278,716 fully paid-up shares with a face value of €0.40.

Disposal and transmission of shares

There are no statutory provisions restricting share transfers.

Double voting right (Article 17 of the bylaws)

Each member of the Shareholders' Meeting has as many votes as he owns or represents in terms of shares. However, a double voting right is granted to all fully paid shares, provided the shares have been registered in the same shareholder's name for at least four years. In the event of a capital increase by incorporation of reserves, profits or additional paid-in capital, this right is granted from the time of issue to registered shares that are freely awarded to a shareholder who holds old shares entitling him/her to this right.

Every share that changes ownership loses this double voting right. Nevertheless, the transfer of ownership due to inheritance, the settling of a communal estate between spouses or donation inter vivos to a spouse, or relative who is entitled to inherit those shares, does not cause the acquired right to be lost and does not interrupt the four-year period, if it is underway. The merger of the Company has no effect on the double voting right, which may be exercised in the absorbing company, if the latter's by-laws so provide.

Stripping (article 8 of the by-laws)

In the case a donation is made of bare-owner shares with reserved usufruct, the voting rights attached to these split shares shall belong to the bare-owner for all ordinary or extraordinary decisions, except for decisions concerning the allocation of profits, for which the voting rights shall belong to the usufructuary.

Changes in the distribution of capital and voting rights during the past three years

	Situation at December 31, 2021				Situation at December 31, 2022				Situation at December 31, 2023			
	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
Senior executives												
Host Développement	11,169,013	46.1%	22,327,696	54.9%	11,169,013	46.1%	22,327,696	54.9%	11,169,013	46%	22,327,696	55.9%
Luc de Chammard and his family	3,838,419	15.8%	7,676,838	18.9%	3,838,419	15.8%	7,676,838	18.9%	3,292,427	13.6%	6,431,343	16.1%
SUBTOTAL JOINTLY CONTROLLED SHARES	15,007,432	61.9%	30,004,534	73.8%	15,007,432	61.9%	30,004,534	73.8%	14,461,440	59.6%	28,759,039	72%
Bertrand Ducurtil and his family	939,000	3.9%	1,602,000	3.9%	939,000	3.9%	1,602,000	3.9%	1,007,000	4.1%	1,588,000	4%
Other senior executives with registered shares	923,584	3.8%	1,371,168	3.4%	874,612	3.6%	1,294,194	3.2%	1,264,103	5.2%	1,645,684	4.1%
SUBTOTAL SENIOR EXECUTIVES	16,870,016	69.6%	32,977,702	81.1%	16,821,044	69.4%	32,900,728	80.9%	16,732,543	68.9%	31,992,723	80.1%
Employees with registered shares	182,104	0.8%	322,708	0.8%	177,414	0.8%	326,328	0.8%	236,650	1%	386,800	1%
Treasury shares*	3,725	0%	-	-	6,329	0%	-	-	4,376	0%	-	-
Public**	7,172,371	29.6%	7,364,765	18.1%	7,223,429	29.8%	7,441,113	18.3%	7,305,147	30.1%	7,550,606	18.9%
TOTAL	24,228,216	100%	40,665,175	100%	24,228,216	100%	40,668,169	100%	24,278,716	100%	39,930,129	100%

* Within the framework of the liquidity contract.
** Registered shares (other than group executives and employees) and bearer shares.

Commitments to retain shares

During the fiscal year, the two collective retention agreements entered into in 2021 between Host Développement, Bertrand Ducurtil, Luc de Chammard and their children, concerning 12,669,018 and 13,169,018 shares respectively, came to an end.

At December 31, 2023, a single collective commitment entered into in 2021 between Host Développement, Bertrand Ducurtil, Luc de Chammard and his children remained in force, concerning 10,126,005 shares. This collective commitment was terminated with the tax authorities on January 22, 2024.

Securities providing access to the capital

There are no current stock options.

In 2023, the Board of Directors decided not to allocate bonus shares.

The vesting period of the H plan concerning the allocation of bonus shares arrived at its term during the fiscal year 2023, and 50,500 new shares were issued and definitively allocated to the plan's beneficiaries.

Plan I, decided upon in June 2022, concerns 50,000 shares with a vesting period until December 31, 2023, and represents around 0.21% of the share capital.

Company buy-back of its own shares

All information about the company's purchase of its own shares is provided in paragraph 9 of the Management Report.

Authorized capital

The Shareholders' Meeting of June 2, 2022 gave the Board of Directors authorization for a period of 26 months (i.e., until August 2024) to increase the capital on one or more occasions by issuing – in France or on foreign markets – shares or financial securities conferring an immediate or future entitlement to the company's capital, in cash or by offsetting debts and/or by capitalizing reserves, profits or premiums.

These issues may be carried out with or without preemptive subscription rights, possibly through a public offering, private placement or in the case of a public exchange offer initiated by the company, and may not increase share capital by more than €9 million. Furthermore, the total nominal amount of debt securities conferring entitlement to the capital may not exceed €90 million.

The Company may issue ordinary shares or financial securities giving immediate or future entitlement to ordinary shares in order to remunerate contributions in kind made to it in the form of shares or financial securities conferring entitlement to the capital. The ceilings mentioned above apply in this context. In addition, if the provisions of Article L.22-20-54 of the French Commercial Code do not apply, these issues may not exceed 10% of the share capital at the time of issue.

Thresholds and crossing of thresholds

Under Article L.233-7 of the French Commercial Code, every natural person or legal entity, acting alone or in concert, has the obligation to inform the Company and the AMF if they end up holding, directly or indirectly, more than one twentieth (5%), one tenth (10%), three twentieths (15%), one fifth (20%), one quarter (25%), three tenths (30%), one third (33.3%), one half (50%), two thirds (66.6%), nine tenths (90%) or nineteen twentieths (95%) of the capital or voting rights. This information is also given under the same conditions when the capital stake or voting rights become less than the aforementioned thresholds.

The information must be sent to the Company and to the Autorité des Marchés Financiers (French financial markets authority [AMF]), no later than before the close of trading on the fourth trading day following the day the threshold was crossed. The form of statement and the methods of filing with the AMF are fixed by the AMF's instructions. The AMF shall make this statement public, via its Decision and Financial Information Database, within three trading days of receiving the full statement.

In addition, any market maker informs the AMF within five trading days that it conducts or intends to conduct market making activities for a given issuer. When it ceases to carry out these transactions, it shall also inform the Autorité des Marchés Financiers within the same period.

In addition, in accordance with Article 16 of the bylaws, every shareholder, acting alone or in concert, is required to inform the company when he/she ends up directly or indirectly holding shares representing 2% of the capital or voting rights. This duty of disclosure applies to every 2% fraction of the capital or voting rights.

On January 3, 2023, Sycomore Asset Management informed the Company that it had fallen below the statutory thresholds of 4% in capital and 2% in voting rights.

Luc de Chammard, as a result of various donations, mainly to his family, declared to the AMF that he had personally crossed the following thresholds in 2023:

- 15% and 10% of voting rights and 10% and 5% of share capital, on June 9;
- 5% of voting rights, on June 29.

Change in share capital since the Company's founding

Date	Type of operation	Capital increase	Additional paid-in capital and contribution	Number of shares issued	Cumulative amount of share	
					Number of shares	Capital
December 1984	Company formed	-	-	-	8,000	F800,000
08/15/1985	Capital increase	Fr210,000	-	2,100	10,100	F1,010,000
06/30/1993	Company buy-back of its own securities and capital reduction	-	-	(4,954)	5,146	F514,600
06/30/1993	Capital increase by incorporating reserves and raising the share face value from F100 to F200	F514,600	-	-	5,146	F1,029,200
12/30/1997	Capital increase by incorporating reserves and raising the share face value from Fr200 to Fr4,000	F19,554,800	-	-	5,146	F20,584,000

Date	Type of operation	Capital increase	Additional paid-in capital and contribution	Number of shares issued	Cumulative amount of share	
					Number of shares	Capital
11/29/1999	Capital increase by incorporating reserves, converting capital into euros and raising the share face value to €1,500	F30,049,320.83	-	-	5,146	€7,719,000
11/29/1999	Share face value divided from €1,500 to €2	-	-	-	3,859,500	€7,719,000
04/05/2000	Share face value divided from €2 to €0.04	-	-	-	19,297,500	€7,719,000
05/23/2000	Capital increase during the listing on the stock exchange (Nouveau Marché / New Market)	€1,389,420	€29,872,530	3,473,550	22,771,050	€9,108,420
12/31/2004	Capital increase following the exercise of BSPCE (company creator stock options)	€30,488	€213,416	76,220	22,847,270	€9,138,908
12/31/2005	Capital increase following the exercise of BSPCE (company creator stock options)/stock options	€166,260	€1,163,820	415,650	23,262,920	€9,305,168
12/31/2005	Capital reduction after cancellation of a repurchased block of shares	-	-	(98,000)	23,164,920	€9,265,968
12/31/2006	Capital increase after exercise of stock options	€33,353.60	€276,359.60	83,384	23,248,304	€9,299,321.60
12/31/2007	Capital increase after exercise of stock options	€53,809.20	€402,778.20	134,523	23,382,827	€9,353,130.80
12/31/2008	Capital increase after exercise of stock options	€10,916.40	€89,871.40	27,291	23,410,118	€9,364,047.20
12/31/2009	Capital increase after exercise of stock options	€25,708	€238,298	64,270	23,474,388	€9,389,755.20
12/31/2010	Capital increase after exercise of stock options	€34,682	€329,517	86,705	23,561,093	€9,424,437.20
12/31/2011	Capital increase after exercise of stock options	€24,666.40	€253,087.50	61,666	23,622,759	€9,449,103.60
12/31/2012	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan C bonus share attribution	€54,762	€85,775.50	136,905	23,759,664	€9,503,865.60
12/31/2013	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan D bonus share attribution	€80,647.60	(€11,911.10)	201,619	23,961,283	€9,584,513.20
12/31/2014	Capital increase after exercise of stock options	€8,190.40	€101,915.40	20,476	23,981,759	€9,592,703.60
12/31/2015	Capital increase following the exercise of stock options and the delivery of shares to the beneficiaries of the Plan E bonus share attribution	€99,847.60	€301,384.10	249,619	24,231,378	€9,692,551.20
12/31/2016	Capital increase after exercise of stock options	€4,993.60	€42,445.60	12,484	24,243,862	€9,697,544.80
12/31/2018	Capital increase following the delivery of shares to the beneficiaries of the Plan F bonus share attribution	€16,800.00	-	42,000	24,285,862	€9,714,344.80
12/31/2020	Capital reduction by cancelation of treasury shares	-	-	(68,146)	24,217 716	€9,687,086.40
12/31/2021	Capital increase for the delivery of shares to the beneficiaries of plan G for the allocation of bonus shares	€4,200.00	-	10,500	24,228,216	€9,691,286.40
12/31/2022	-	-	-	-	24,228,216	€9,691,286.40
12/31/2023	Capital increase to deliver shares to beneficiaries of plan H for the allocation of bonus shares	€20,200.00		50,500	24,278,716	€9,711,486.40

7.2. DIVIDEND DISTRIBUTION POLICY

For 2020, the Board proposed an exceptional dividend (2 euros per share) to offset the modest dividends of previous years.

At the end of the 2021 fiscal year, the Board proposed a dividend of 1 euro per share, and stated its intention to adopt a "regular and predictable" dividend distribution policy from now on.

Dividends distributed over the last five years were as follows:

For the year	2019	2020	2021	2022	2023
Dividend per share (in euros)	0.20	2.00	1.00	1.10	1.20*
No. of shares at year-end (in millions)	24.2	24.2	24.2	24.2	24.3

* Amount proposed to the Shareholders' Meeting of June 6, 2024.

Dividends for a given fiscal year were paid in June of the following year.

7.3. MANAGEMENT REPORT PRESENTED BY THE BOARD OF DIRECTORS

Dear shareholders,

We called this Combined Shareholders' Meeting in accordance with the legal and statutory provisions in order to report on the Group's activities during the past fiscal year, and submit for your approval the annual and consolidated financial statements for the fiscal year ending December 31, 2023, the compensation policy for corporate officers, the renewal of the term of office of one of the statutory auditors, and to inform you about the outlook for the future.

1. CONSOLIDATED FINANCIAL STATEMENTS

Comments on the Group's activity during FY 2023

Since 2005 the consolidated financial statements are presented according to IFRS, pursuant to the provisions adopted by the European Union.

In 2023, NEURONES continued its profitable growth. Revenues amounted to €741.2 million compared to €665.4 million the previous year (overall growth of 11.4% and organic growth of 11.1%).

Subcontracting purchases continued to grow faster than revenues. In 2023, they will represent 27.6% of revenues (26.6% in 2022). The proportion of employees working outside the Paris area in different regions of France and abroad also continues to grow steadily.

Operating profit rose from €72.9 million to €75.9 million. As a percentage, this represents 10.2% of revenues.

Net financial income came to 4.9 million euros (close to zero in 2022). It mainly corresponds to interest on cash investments in term deposits at progressive rates, less the financial expense related to the application of IFRS 16 on leases.

The Group benefited from the stability of the basic rate of corporate income tax in France (25%) and from the reduction in the CVAE (decrease of €0.9 million). The corporate income tax expense amounted to €22.2 million (compared with €21.1 million in the previous year). The average corporate tax rate (corporate income tax + CVAE) totaled 27.5% (28.9% in 2022).

Net income was €58.6 million (€51.2 million in 2022). It grew by 13.1%, faster than revenues.

Net income attributable to owners of the parent company (€49.4 million) was up 12% on 2022 (€44.2 million).

Comments on the consolidated financial situation

Assets

Intangible assets were €52.9 million, compared to €46.1 million the previous year. Rights of use (IFRS 16) amounted to €33.9 million.

Net tangible assets increased by €8.8 million to €24.8 million at the end of 2023. This mainly concerns IT equipment related to cloud computing activities and the fitting out of premises.

The financial assets (€10.8 million) are comprised primarily of 1% housing loans and security deposits.

The deferred tax asset amounts to €6.1 million. It is comprised primarily of temporary tax differences.

Standing at €243 million, trade and other accounts receivable increased by 6.7%. Overall, the accounts receivable and unbilled revenue represent 80 days of turnover (including 13 days for unbilled revenue).

Liabilities

Long-term provisions relate to retirement indemnities, while short-term provisions relate mainly to employee-related risks.

Current and non-current rental debts (IFRS 16) amount to €36.6 million.

Trade and other accounts payable increased by 11%, representing a total of 210 million.

Cash flow

Cash flows from operating activities, after net financial income and taxes, amounted to €78.8 million in 2023.

Working capital requirement for operations remained virtually stable (+€1.4 million).

Productive investments (CAPEX) consumed €18 million (compared to €10.6 million in 2022). They primarily concerned the cloud computing activities, notably the new SecNumCloud platform, as well as the service centers in general (computer hardware and software, office improvements, etc.).

Free cash flow – comprised of net income, depreciation, amortization, provisions and changes in working capital requirements less net capital expenditures – amounted to €51.6 million compared with €37.7 million the previous year.

After equity transactions (earn-out payments, dividend payment of €26.7 million, disposals, share buybacks from minority shareholders in subsidiaries, capital increases, etc.), the Group generated €23.4 million of cash in 2023, compared to €6.6 million in 2022.

At December 31, 2023, cash and cash equivalents (net of borrowing) amounted to €290.4 million (€271.8 million in 2022).

Note on the debt situation of the Company and the Group

The Group has a positive gross cash position of €295.4 million and borrowings of €5 million. The debt situation, in light of the volume of business, clearly poses no risk to the company.

Outlook

Historically, NEURONES has always grown faster than its reference market. Fiscal year 2023 is in line with this trend (+11.1% organic growth compared to the growth (+4.1%) for the Consulting and IT Services market (source: Numeum – December 2023). The Group's potential is real, since its share of the French market is only around 2%. Thanks to its "multi-specialist" model and its strong presence in the digital, cloud and cybersecurity segments, NEURONES should once again grow faster than the market in 2024.

Equity investments, share movements, capital operations and other legal operations

In 2023, NEURONES S.A. carried out the following operations:

- acquisition of around 0.6% of Codilog's capital (from three managers of this subsidiary);
- acquisition (from an executive of a Helpline subsidiary) of just over 0.07% of Helpline's capital;
- capital increase through the issue of 50,500 new shares (representing just over 0.2% of the capital) to deliver the bonus-share allocation plan H;

The subsidiaries and sub-subsidiaries of NEURONES S.A. carried out the following acquisition and disposal operations in 2023:

- Edugroupe sold 0.55% of Viaaduc's capital to a Viaaduc executive;
- Finaxys sold its entire stake in its Belgian subsidiary;
- Neurones IT acquired a 3.2% stake in Mobiapps from a former Mobiapps manager;
- Colombus Consulting acquired 2.5% of its own shares from a former executive and a former manager, of which around 70% were subsequently sold to company employees;
- Mobiapps acquired 70% of the capital of Webwag Mobile;
- Mobiapps sold 0.07% of Upgrade's capital to a manager of said company;
- AS International Group sold 8% of Cyners' capital to two employees of this subsidiary and acquired 5% from another minority shareholder;
- Colombus Consulting, which already held a 70% stake in Tempo and Co, acquired a further 1.5% of the capital from a Tempo and Co executive;
- Colombus Consulting acquired 86.7% of the holding company of the Balthazar consulting group, as well as minority stakes in the capital of its three operating companies;

The following operations were also carried out:

- Neurones IT carried out a capital increase to deliver 2,000 new shares to the beneficiary of a bonus-share allocation plan, and a second capital increase to definitively allocate 2,199 shares to three beneficiaries. These two increases represent 0.19% of the share capital as at December 31, 2023;
- Neurones IT formed the company Buzz Technologies in conjunction with the company's two directors, who hold 44% of the capital;
- Iliade Consulting carried out a cash capital increase that was subscribed to by a manager from the company, through the issue of 102 new shares, representing 0.19% of the capital at December 31, 2023;
- Iliade Consulting carried out a capital reduction, not motivated by losses, through the cancellation of 224 treasury shares acquired from a company manager;
- Colombus Consulting carried out a capital reduction, not motivated by losses, through the cancellation of 95 of its own shares (representing 0.02% of the capital at the date of the operation);
- Colombus Consulting carried out several capital increases. The company issued 2,400 new shares to cover the cost of two bonus share plans for an executive and ten employees. The company also carried out a cash capital increase reserved for employees who are members of the company savings plan (PEE) via the company mutual fund (FCPE). A total of 4,970 new shares were issued. Lastly, a total of 12,193 new shares were issued in partial payment for the shares in Balthazar Group companies acquired by Colombus Consulting. At December 31, 2023, these increases represented 4.27% of the capital;
- AS International Group participated in the creation of Cyners (92% shareholding, then 89% following an acquisition and two share sales);
- Everience Germany carried out a cash capital increase, resulting in the issue of 2,300 new shares, taken up by two of the company's directors. Following this increase, Helpline holds 97.75% of the capital of its German subsidiary;
- Everience Italy increased its capital through the incorporation of reserves, then carried out a cash capital increase, taken up by four of the company's directors and managers. In this context, a total of 1,048 new shares were issued, representing just over 2% of the share capital;
- Finaxys set up the company Smarterz in conjunction with the manager of this subsidiary, and holds 57% of the capital;
- Helpline carried out three capital increases. The first and second, involving the issue of 1,000 and 3,341 new shares respectively, were for the purpose of delivering two bonus share plans, one to a manager and the other to fifteen employees. Eleven company employees subscribed to 3,876 new shares as part of the final cash capital increase. At December 31, 2023, these three increases represented just over 0.18% of the capital;
- Experteam carried out two capital increases; the first involved the issuing of 16,235 shares for to be definitively allocated to four beneficiaries of a bonus share plan; the second concerned the issuing 16,948 new shares through a cash contribution involving an executive and a manager. These 33,183 shares represented just over 1.9% of the share capital at December 31, 2023;
- Deodis carried out two capital increases, one in cash through the issuing of 1,630 new shares taken up by a manager and three employees, and the other through the issuing of 1,572 new bonus shares definitively allocated to five employees. These 3,202 shares represented approximately 0.67% of the share capital at December 31, 2023;
- Codilog carried out a capital increase to deliver bonus shares to one of the company's executives and seven employees. In this context, a total of 3,489 new shares were issued (approximately 0.8% of the share capital);
- Codilog set up Intenz, a wholly-owned subsidiary;
- Visian set up Visian Azur, in conjunction with the manager of this subsidiary, in which Visian holds 70% of the capital;
- Cloud Temple increased its capital by issuing 153,846 new shares, allocated definitively to three employees benefiting from a bonus share allocation plan.

Some of these operations led to a change in NEURONES S.A. percentage stakes in certain Group companies.

Main business activity of operational entities

The contributions* to the Group's main consolidated aggregates are summarized hereafter:

(in thousands of euros)	Company	Contribution to 2023 revenues *	Contribution to 2023 operating profit *	Contribution to the 2023 net result *
Parent company	NEURONES	-	-650	-1,810
Subsidiaries	Arondor	24,491	904	779
	AS International Group	45,688	3,926	3,221
	Cloud Temple	44,250	3,791	2,852
	Codilog	43,692	3,393	2,731
	Colombus Consulting	53,212	6,698	4,760
	Deodis	33,287	3,779	2,980
	Finaxys	38,017	2,430	2,342
	Helpline	228,225	24,979	20,175
	Iliade Consulting	23,041	4,076	3,038
	Intrinsec	24,423	2,029	1,665
	NEURONES IT	135,689	10,069	7,737
	RS2i	23,436	5,534	4,318
	Other	23,724	4,900	3,795
TOTAL		741,175	75,858	58,583

* After eliminating inter-company flows and including sub-subsidiaries.

2. NEURONES S.A. COMPANY FINANCIAL STATEMENTS

Comments on the business activity during FY 2023

Revenues amounted to €166.8 million compared with €151.1 million in the previous year. This is mainly made up of the re-invoicing of sales made by Group companies to major clients under contract with the parent company (thus acting as a single billing point) and, to a lesser extent, of management fees and the re-invoicing of other shared services and purchases.

The operating result amounted to a loss of €0.2 million. Net financial income stood at -€0.6 million. The net result amounted to a loss of €0.6 million, after a tax benefit of €0.1 million.

Outlook

Since January 1, 2000, NEURONES S.A. has been a holding company that groups together the following functions: Group management, finance, legal, marketing and communications and general relations with a few key accounts. The Company aims to merely balance its current operating expenditures by re-invoicing its services to its different subsidiaries.

Allocation of profit

In view of positive retained earnings of €14,659,697.29 and a loss for the year of €637,977.39, the distributable profit stands at €14,021,719.90.

A motion will be put to the Shareholders' Meeting to distribute a dividend of €1.20/share, namely a total estimated at €29,134,459.20*.

The dividends distributed would be deducted in priority from the distributable profit. The balance of €15,112,739.30* would be deducted from the share premium account, which stood at €30,593,421.36 at December 31, 2023.

Following this distribution, retained earnings would be zero and additional paid-in capital would stand at €15,480,682.06*.

The dividend will be ex-dividend as of June 12 and payable on June 14, 2024.

The amount thus distributed between the Shareholders is fully eligible for the 40% allowance provided for in Article 158(3)(2°) of the French General Tax Code.

The following dividends were distributed during the past three fiscal years:
2020: €2 per share,
2021: €1 per share,
2022: €1.1 per share,

* Calculated based on the number of shares making up the share capital on December 31, 2023 (i.e. 24,278,716), which will be adjusted if necessary.

3. OTHER FINANCIAL INFORMATION

Subsequent events

No known events at March 6, 2024 had a significant impact on the Group's financial structure.

Vendor payment terms (company financial statements)

The vast majority (>95%) of NEURONES S.A. purchases are made with Group companies. At December 31, 2023, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/23 by maturity date *(in thousands of euros, taxes incl.)*	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Intra-Group	(11)	44	(71)	(1,330)	34,700	33,332
Third parties	229	-	-	650	368	1,247
TOTAL	218	44	(71)	(680)	35,068	34,579
Number of invoices concerned	212				2,192	2,404
% of the value of purchases for the year					17.8%	

The term of payment used to calculate late payments is: net 60, date of invoice, or net 45 end of month.

For intra-Group suppliers, past due invoices not settled correspond to situations where adjustments are necessary with the end clients. Past due invoices concerning third party suppliers that are not yet paid at December 31, 2023 correspond to disputes.

At December 31, 2022, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding trade payables at 12/31/22 by maturity date *(in thousands of euros, taxes incl.)*	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Intra-Group	109	25	14	229	29,211	29,588
Third parties	207	31	6	54	847	1,145
TOTAL	316	56	20	283	30,058	30,733
Number of invoices concerned	88				1,908	1,996
% of the value of purchases for the year					16.8%	

Client payment terms (company financial statements)

At December 31, 2023, the outstanding client receivables of NEURONES S.A. (parent company) were as follows:

Outstanding client receivables at 12/31/23 by maturity date *(in thousands of euros, taxes incl., excl. unbilled revenue)*	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Third parties	144	494	273	4,752	33,382	39,045
Intra-Group	5	(2)	9	70	401	483
TOTAL	149	492	282	4,822	33,783	39,528
Number of invoices concerned	539				1,727	2,266
% of the value of sales for the year					16.7%	

The term of payment used to calculate late payments is: net 60 (date of invoice) or net 45 end of month.

Late payments by corporate clients are related to the complexity of their accounts payable channels (payment authorization, etc.). The share of past due invoices corresponding to disputes is in the minority. Most often they involve requests to correct details (number of half-days, overtime hours, etc.) that are generally settled amicably.

At December 31, 2022, the outstanding trade payables of NEURONES S.A. (parent company) were as follows:

Outstanding client receivables at 12/31/22 by maturity date *(in thousands of euros, taxes incl., excl. unbilled revenue)*	Past due invoices				Invoices not due	Total
	> 90 d	60 to 90 d	30 to 60 d	0 to 30 d		
Third parties	1,102	1,165	546	1,971	30,260	35,044
Intra-Group	42	30	(6)	62	369	497
TOTAL	1,144	1,195	540	2,033	30,629	35,541
Number of invoices concerned	628				1,677	2,305
% of the value of sales for the year					16.9%	

Research and development activity

Research and development investments are made in each Group company. The costs, corresponding to the time spent, are expensed in the year they are incurred and are not capitalized. Significant development expenses that meet the IAS 38.57 definition have not been identified.

4. SOCIAL AND ENVIRONMENTAL CONSEQUENCES OF THE BUSINESS ACTIVITY AND COMMITMENTS TO SOCIETY REGARDING SUSTAINABLE DEVELOPMENT

These aspects are reviewed in Chapter 2 ("Extra-Financial Performance Statement – EFPS") of this Annual Financial Report.

5. STOCK OPTIONS

All the authorizations granted by various Shareholders' Meetings, as well as all the plans decided on the basis of these authorizations, expired in previous years.

6. SPECIAL REPORT ON THE BONUS SHARE ATTRIBUTIONS

Pursuant to the provisions of article L.225-197-4 of the French Commercial Code, the purpose of this report is to inform shareholders about the attributions of bonus shares during FY 2023 decided by NEURONES or its subsidiaries, to the benefit of their employees and company officers.

Attributions of bonus shares of NEURONES

During 2023, no new bonus share plans were approved by the Board of Directors.

The following table sets out the characteristics of the two bonus share allocation plans with vesting or retention periods as at December 31, 2023.

	Bonus share plan H	Bonus share plan I
Date of the Shareholders' Meeting	06/04/2020	06/02/2022
Date of the Board of Directors meeting	09/09/2020	06/02/2022
Vesting period duration and term	3 years – 09/09/2023	3 years – 06/02/2025
Holding period duration and term	2 years – 09/09/2025	2 years – 06/02/2027
Number of employee beneficiaries (NEURONES and affiliates)	12 (4 and 8)	10 (7 and 3)
Number of corporate officer beneficiaries (NEURONES and affiliates)	-	-
Number of bonus shares attributed	54,500	50,000
Cumulative number of expired shares at 12/31/2022	4,000	-
Number of shares in the vesting period at 12/31/2022	50,500	-
Number of shares expired during the vesting period over the year	-	-
Number of shares in the vesting period at 12/31/2023	-	50,000
Number of shares in the holding period at 12/31/2023	50,500	-
Potential dilution (excluding cancelled options) -% of capital at 12/31/2023	-	0.21%

Attributions of bonus shares of companies affiliated with NEURONES

No NEURONES executive officer has ever been granted bonus shares of related companies under the conditions provided for in article L.225-197-2 of the Commercial Code or shares of controlled companies within the meaning of article L.233-16 due to mandates and functions exercised in the company or its subsidiaries.

In FY 2023, fourteen bonus share allocation plans were decided by the chairmen of eight companies related to NEURONES. The final allocation of shares at the end of the vesting period is always linked to a condition of presence, i.e. that a beneficiary must have been a permanent employee or corporate officer of the company that allocated the shares or of an affiliated company within the meaning of article L.225-197-1, and sometimes, more restrictively, within the meaning of 1° of said article. In addition to this "presence" condition (which has always been applied), a plan may also be subject to economic performance conditions. In the latter case, the shares definitively allocated to beneficiaries at the end of the vesting period are calculated in relation to the achievement of the performance targets set out in the plan regulations.

The two following tables give details of the fourteen bonus share allocation plans decided by companies related to NEURONES in 2023:

	Plan C Upgrade	Plan D Upgrade	Plan Colombus 2023 (1)	Plan Colombus 2023 (2)	Plan Colombus 2023 (3)	Plan Iliade 2023	Plan F Codilog
Date of the Shareholders' Meeting	12/28/22	07/31/23	05/26/23	05/26/23	05/26/23	05/25/23	06/01/23
Date of attribution by the Chairman	01/12/23	09/04/23	07/13/23	07/13/23	07/13/23	06/15/23	07/05/23
Unit value of a share at the attribution date	€18.13	€25.51	€112.92	€112.92	€112.92	€332.84	€121.65
Performance-based plan	-	-	-	-	-	-	-
Number of bonus shares attributed	17,370	1,037	12,180	490	2,670	224	5,303
Percentage of capital as of 12/31/2023		4.27%		3.35%		0.35%	1.25%
Vesting period term Duration of the period	01/12/25 2 years	09/04/25 2 years	07/13/24 1 year	07/13/26 3 years	07/13/27 4 years	06/15/25 2 years	07/05/25 2 years
Holding period term Duration of the period	N/A -	N/A -	07/13/25 1 year	N/A -	N/A -	N/A -	N/A -
Total number of beneficiaries	1	2	13	2	20	12	11
Number of beneficiaries who are corporate officers of the company	1	-	1	-	-	2	2
Number of bonus shares attributed to this executive officer or officers	17,370	-	2,000	-	-	62	2,400
Number of employee beneficiaries of the Company or an affiliated company	-	2	12	2	20	10	9
Nombre d'actions attribuées à ces salariés par catégorie	-	Managers: 1,037	Managers: 10,180	Managers: 490	Managers: 2,670	Managers: 162	Managers: 2,903
Number of shares granted during the year to each of the ten employees of the company, other than company officers, who received the largest number of bonus shares	Plan D Upgrade: 1: 710 2: 327		Colombus 2023 (1) to (3) Plans: 1: 1,400 2-4: 1,200 5-6: 1,000 7-10: 600			1: 31 2-6: 20 7: 15 8: 10 9: 4 10: 2	1: 1,242 2: 642 3-4: 342 5: 75 6-8: 67 9: 59

	Plan Deodis 2023 (1)	Plan Deodis 2023 (2)	Plan G Neurones IT	Plan H Neurones IT	Plan I Neurones IT	Plan J Helpline	Plan E Experteam
Date of the Shareholders' Meeting	04/21/23	04/21/23	06/07/23	06/07/23	06/07/23	04/27/22	04/22/22
Date of attribution by the Chairman	10/12/23	10/12/23	08/28/23	08/28/23	08/28/23	10/12/23	10/12/23
Unit value of a share at the attribution date	€64.32	€64.32	€43.28	€43.28	€43.28	€56.18	€1.77
Performance-based plan	-	Yes	Yes	Yes	-	-	-
Number of bonus shares attributed	1,127	9,033	5,000	5,000	5,000	2,076	8,474
Pourcentage du capital au 31/12/2023		2.12%		0.69%		0.05%	0.05%
Vesting period term Duration of the period	07/01/25 1 year 9 months	06/01/26 2 years 8 months	01/31/27 3 years 5 months	01/31/28 4 years 5 months	05/28/27 3 years 9 months	08/01/25 1 year 10 months	10/12/25 2 years
Holding period term Duration of the period	10/12/25 3 months	N/A -	N/A -	N/A -	N/A -	10/12/25 2 months	N/A -
Total number of beneficiaries	5	7	1	1	1	11	2
Number of beneficiaries who are corporate officers of the company	1	1	-	-	-	1	1
Number of bonus shares attributed to this executive officer or officers	233	2,550	-	-	-	356	4,237
Number of employee beneficiaries of the Company or an affiliated company	4	6	1	1	1	10	1
Number of bonus shares attributed to these employees by category	Managers: 894	Managers: 6,483	Managers: 5,000	Managers: 5,000	Managers: 5,000	Managers: 1,720	Managers: 4,237
Number of shares granted during the year to each of the ten employees of the company, other than company officers, who received the largest number of bonus shares	2023 Deodis plans: 1: 1,583 2-6: 980 7: 312 8-9: 233 10: 194		Neurones IT Plans G, H et I: 1: 10,000 2: 5,000			1-2: 356 3-5: 178 6: 107 7: 100 8-10: 89	1: 4,237

The following are the plans attributed by affiliated companies in years prior to FY 2022 and still in the vesting period at December 31, 2023 (listed in chronological order of the vesting period):

	Plan Colombus 2021 (2)	Plan A Upgrade	Plan D Neurones IT	Plan E Neurones IT	Plan A Mobiapps	Plan A Visian	Plan I Helpline	Plan D Experteam	Plan Deodis 2022
Date of the Shareholders' Meeting	12/04/20	03/22/22	05/31/21	05/31/21	05/27/21	06/30/21	04/27/22	04/22/22	04/27/22
Date of attribution by the Chairman	01/20/21	03/23/22	07/09/21	07/09/21	07/09/21	07/09/21	07/20/22	07/20/22	07/21/22
Vesting period term	01/20/24	03/23/24	07/09/24	07/09/24	07/09/24	07/09/24	07/20/24	07/20/24	07/21/24
Number of bonus shares attributed	3,250	4,512	5,400	22,728	60	33,000	4,553	10,176	997
- of which attributed to corporate officers	-	4,512	-	-	60	11,000	1,630	4,361	225
Total number of beneficiaries	10	1	3	5	1	3	15	3	3
- of which to the Company's corporate officers	-	1	-	-	1	1	2	1	1
Number of shares expired between the attribution date and December 31, 2023	-	-	1,350	-	-	-	-	-	-
Number of shares in the vesting period at December 31, 2023	3,250	4,512	4,050	22,728	60	33,000	4,553	10,176	997
Percentage of the company's share capital concerned at December 31, 2023	-	-	-	2 plans Neurones IT: 1.22%	3.21%	2.61%	-	-	0.21%

	Plan E Codilog	Plan Colombus 2021 (5)	Plan Colombus 2021 (3)	Plan B Upgrade	Plan C Experteam	Plan H Helpline	Plan Colombus 2022 (2)	Plan Colombus 2021 (6)	Plan A Scalesquad	Plan Colombus 2022 (3)
Date of the Shareholders' Meeting	06/01/22	10/08/21	12/04/20	03/22/22	04/22/22	04/27/22	03/31/22	10/08/21	06/30/21	03/31/22
Date of attribution by the Chairman	08/01/22	11/26/21	01/20/21	03/23/22	04/22/22	04/27/22	05/30/22	11/26/21	12/16/22	05/30/22
Vesting period term	08/01/24	11/26/24	01/20/25	03/23/25	04/22/25	04/27/25	05/30/25	11/26/25	12/16/25	05/30/26
Number of bonus shares attributed	3,672	5,295	600	12,499	122,726	46,650	5,800	1,140	317,591	1,670
- of which attributed to corporate officers of the company	748	-	-	12,499	36,818	21,050	-	-	-	-
Total number of beneficiaries	10	12	8	2	5	21	10	11	5	15
- of which to the Company's corporate officers	2	-	-	2	1	2	-	-	-	-
Number of shares expired between the attribution date and December 31, 2023	-	200	-	-	-	-	-	-	-	-
Number of shares in the vesting period at December 31, 2023	3,672	5,095	600	12,499	122,726	46,650	5,800	1,140	317,591	1,670
Percentage of the company's share capital concerned at December 31, 2023	0.86%	-	-	2 plans for Upgrade: 3.94%	2 plans for Experteam: 0.77%	2 plans for Helpline: 1.15%	-	-	1.43%	6 plans for Columbus: 3.83%

7. TREASURY SHARES – TREASURY STOCK

At December 31, 2023, the company held 4,376 of its own shares, which are included in the balance sheet of its liquidity contract.

8. EMPLOYEE STATUTORY PROFIT SHARING

Employees don't hold any NEURONES shares through a Company Savings Plan, a Company Mutual Fund or covered by the period of unavailability provided for in article L.3324-10 of the French Labor Code.

9. AUTHORIZATION FOR THE COMPANY TO ACQUIRE ITS OWN SHARES AND TO REDUCE THE CAPITAL BY CANCELLING TREASURY SHARES

Implementation of a scheme for the Company to buy-back its own shares falls within the scope of Article L.22-10-62 of the French Commercial Code.

It should be noted that the Shareholders' Meeting held on June 2, 2022 renewed the authorization for the Company to buy-back its own shares subject to the following main terms and conditions:

- term of the authorization: eighteen months from the date of the Shareholders' Meeting (i.e., until December 2, 2023),
- maximum share of capital to be acquired: 10%,

- maximum purchase price: €55 per share (excluding acquisition costs),
- maximum share acquired with a view to the subsequent remittance on exchange or as payment: 5% of the capital.

On the same day, the Board of Directors published the description of the share buyback program authorized by the Shareholders' Meeting and the effective implementation of this program as of June 3, 2022, with the sole objective of stimulating the market for the company's shares under the liquidity contract entered into with CIC.

As part of this program, between January 1 and June 8, 2023, a total of 29,372 shares were purchased and 28,851 shares were sold via the liquidity contract. At that time, 6,850 shares were included in the liquidity contract.

The Shareholders' Meeting of June 8, 2023 renewed the authorization granted to the Board of Directors to buy back the company's own shares. The main features of the authorization, which supersedes the aforementioned authorization, are:
- term of the authorization: eighteen months from the date of the Shareholders' Meeting (i.e., until December 8, 2024),
- maximum share of capital to be acquired: 10%,
- maximum purchase price: €75 per share (excluding acquisition costs),
- maximum share acquired with a view to the subsequent remittance on exchange or as payment: 5% of the capital.

The Board of Directors immediately decided to implement a buyback program with the sole objective of stimulating the market for the company's shares as part of the liquidity contract. Between June 9 and December 31, 2023, a total of 38,765 shares were purchased and 41,239 shares were sold under the liquidity contract, so that as of December 31, 2023, the company held 4,376 of its own shares, all of which appear on the balance sheet of the liquidity contract at a value of €380,980.86.

On December 12, 2023, the Board decided to replace the program in progress with a program aimed at stimulating the share price as part the liquidity contract and cancel the shares acquired. The maximum number of shares that could be acquired with regard to the second objective was set by the Board at 1,950,000 shares, representing around 8% of the share capital. The maximum purchase price was set at 50 euros per share, excluding acquisition costs. In 2023, no shares were acquired with regard to the second objective.

The Company would like to retain the opportunity to purchase its own shares for the following potential purposes:
- to cancel them subsequently,
- to cover:
  - stock option plans and other forms of allocating shares to employees and/or corporate officers of the Group, especially for profit-sharing, a company savings plan (CSP) or the attribution of bonus shares,
  - financial securities conferring the right to receive Company shares,
- to support the share price through an Investment Service Provider via a liquidity agreement pursuant to the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets), and
- to hold purchased shares for subsequent use as exchange or payment as part of an acquisition.

Consequently, a motion will be put to the Shareholders' Meeting of June 6, 2024 (17th resolution) to renew the authorization given to the Board of Directors to buy back the Company's own shares with the following main terms and conditions:
- the authorization is valid for a period of 18 months from the date of the Shareholders' Meeting,
- the shares may be purchased by intervening on the market or by purchasing blocks, without any specific limitation for such block acquisitions,
- the maximum purchase price is set at €75 per share,
- the maximum number of shares that can be repurchased by the Company is limited to 10% of the total number of shares comprising the authorized share capital (for information, 2,427,871 shares based on the share capital at December 31, 2023, representing a maximum purchase amount, excluding acquisition fees, of €182,090,325), it being noted that the maximum number of shares acquired with the view of subsequently being exchanged or used as payment as part of external growth operations cannot exceed 5% of the capital,
- this number of shares and the purchase limit will be adjusted in the event of any financial transactions by the company or decisions affecting the share capital.

In its report to the annual Shareholders' Meeting, the Board of Directors will provide shareholders with all information relating to actual share purchases and sales.

This authorization would supersede any previous delegation of authority for the same purpose and would therefore replace that granted by the Shareholders' Meeting of June 8, 2023.

The actual implementation of a share buyback program will be under the responsibility of the Board of Directors. In this case, the company will distribute a description of the program, in accordance with the provisions of the AMF's General Regulations currently in force.

The authorization given to the Board of Directors by the Shareholders' Meeting to reduce capital by cancelling treasury shares expires on June 6, 2024. The Board of Directors wishes to retain the possibility of acquiring shares for the purpose of cancelling them. The Shareholders' Meeting of June 6, 2024 will therefore be asked to grant the Board of Directors a twenty-four month authorization to cancel all or some of the shares purchased, in one or more instalments, in accordance with Article L.22-10-62 of the French Commercial Code. Up to 10% of the shares comprising the share capital may thus be cancelled per twenty-four month period under the authorization.

10. ATTRIBUTIONS OF BONUS SHARES

The Board of Directors would like to have the possibility at any time to attribute bonus shares, a favorable mechanism that helps to strengthen the motivation and loyalty of beneficiaries, by associating them directly with the company's performance. A motion will therefore be put to the Shareholders' Meeting on June 6, 2024 to renew the authorization given to the Board of Directors under the same conditions.

The current authorization is that granted by the Shareholders' Meeting of June 2, 2022, which is valid for a period of 24 months (i.e. until June 4, 2024). The Board of Directors made use of this authorization once as at December 31, 2023, by allocating 50,000 bonus shares from total of 240,000 authorized, on June 2, 2022.

The Board of Directors reports to the shareholders, under the conditions defined by the current regulations, in a special report containing the information set out in Article L.225-197-4 of the French Commercial Code, on the bonus shares attributed pursuant to the authorizations granted by the Shareholders' Meeting to the Board of Directors.

11. AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

According to the terms mentioned in the Management Report and in chapter 6.3 of the 2021 Annual Financial Report, seven resolutions were submitted to the Meeting of June 2, 2022 in order to authorize the Board to increase the capital with different objectives and in different conditions and contexts. These resolutions, which are extraordinary in nature, were approved by the Meeting and are valid for a period of 26 months, i.e. until August 2, 2024.

The delegations granted to the Board by the Meeting of June 2, 2022 related to the following items:
- delegation of authority to increase capital by issuing – while maintaining shareholders' preemptive subscription rights – ordinary shares and/or any securities giving immediate or future access to ordinary shares to be issued, in cash or by offsetting debts and/or by incorporating reserves, premiums and profits through the free allocation of shares and/or by increasing the par value of existing shares (19th resolution),
- delegation of authority to increase the capital by issuing – without preemptive subscription rights and by public offering – ordinary shares and/or any securities giving immediate or future access to ordinary shares to be issued, in cash or by offsetting debts (20th resolution),

- delegation of authority to increase the capital by issuing ordinary shares and/or any securities giving access to ordinary shares to be issued, without shareholders' pre-emptive subscription rights and by private placement in accordance with Article L.411-2 II of the French Monetary and Financial Code (21st resolution),
- delegation of authority to issue ordinary shares and/or securities giving access to the company's capital, entailing an increase in capital, in remuneration of contributions in kind consisting of equity securities or securities giving access to capital, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable and up to a limit of 10% of the capital at the time of the issue (23rd resolution)
- delegation of authority to issue ordinary shares and/or securities giving access to the Company's capital in the event of a public exchange offer initiated by the Company (24th resolution).

For each of the issues decided pursuant to the authorizations granted in the 19th, 20th and 21st resolutions, the Shareholders' Meeting authorized the Board to increase – at its sole discretion, and in compliance with the overall ceiling set forth in the following resolution, up to a maximum of 15% of the initial issue, and at the same price as that initial issue, in accordance with Article R.225-118 of the French Commercial Code – the number of common shares or marketable securities to be issued if the Board notes that there is excess demand (22nd resolution).

For all the issues that would be decided by the Board, by virtue of the authorizations granted above, the Shareholders' Meeting set the ceiling on issues as follows (25th resolution):

- the maximum aggregate nominal amount of the capital increases at nine million euros (€9,000,000), it being specified that this ceiling includes, where applicable, the nominal amount of any additional shares that may be issued to preserve the rights of holders of marketable securities conferring entitlement to the share capital,
- the aggregate nominal amount of marketable debt securities conferring entitlement to the company's share capital at ninety million euros (€90,000,000).

In addition, pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code, and as a consequence of the foregoing resolutions, the Board submitted a resolution to the Shareholders' Meeting on June 2, 2022 with a view to carrying out a capital increase for which the subscription would be reserved for members of a Company Savings Plan, established in accordance with Articles L. 3332-18 et seq. of the French Labor Code. This resolution was rejected by the Shareholders' Meeting.

All delegations of authority and powers granted by the Shareholders' Meeting or the Board of Directors during the year ended and the use that may have been made of them by the Board are indicated in the Corporate Governance Report.

At the Shareholders' Meeting to be held on June 6, 2024, the shareholders will be asked to renew all the delegations of authority to increase the Company's capital under the same terms and conditions, and to reject the resolution concerning the capital increase reserved for members of a company savings plan (PEE).

12. STATUS OF THE CUMULATIVE DILUTION FOR THE DIFFERENT CAPITAL OPERATIONS

	Situation at 12/31/2023	Treasury shares (excluding liquidity contract)	Dilutive instruments stock options	Dilutive instruments bonus shares	Total
Number of shares	24,278,716	-	-	50,000	24,328,716
% dilution	-	-	-	0.21%	0.21%

13. SECURITIES TRANSACTIONS CARRIED OUT BY SENIOR EXECUTIVES

Pursuant to the provisions of Articles L.621-18-2 of the French Monetary and Financial Code and 223-26 of the AMF's General Regulations, the following share transactions carried out by the senior executives were reported to the AMF.

During fiscal year 2023, Luc de Chammard, Chairman and Chief Executive Officer, carried out the following share transactions:
- June 2, 2023: donation of 200,000 full shares to his granddaughter, a minor;
- June 9, 2023: shared donation of 2,116,194 fully-owned shares to his three children;
- June 9, 2023: donation of 119,503 shares to two of his children, with reservation of usufruct;
- June 12, 2023: acquisition of 14,235 shares;
- June 29, 2023: donation of 580,000 shares to Group executives;

During fiscal year 2023, Bertrand Ducurtil, Executive Vice-President, carried out the following share transactions:
- June 12, 2023: sale of 25,000 shares;
- June 29, 2023: donation of 150,000 shares received;
- June 29, 2023: shared donation of 57,000 shares to his children.

Finally, Daphné de Chammard, Host Développement's permanent representative, acquired 5,992 shares on June 12, 2023.

14. RISK FACTORS

The risk analysis is carried out in part 3 of this Universal Registration Document.

15. EXCEPTIONAL EVENTS, ONGOING LITIGATION AND LAW SUITS

As far as the senior executives are aware, there are no exceptional events or litigation that have had or are likely to have any significant repercussions on the Group's operations, assets or financial situation.

16. CONCLUSION

In conclusion, we ask you to approve the financial statements for the year ended December 31, 2023, the Board of Directors' management report and, consequently, to give the Board faithful discharge of duty for its management during the said year and to adopt the resolutions that will be submitted to your vote.

Board of Directors

APPENDIX TO THE MANAGEMENT REPORT: TABLE OF THE LAST FIVE YEARS

(in euros)	2019	2020	2021	2022	2023
Capital at year-end					
• Share capital	9,714,345	9,687,086	9,691,286	9,691,286	9,711,486
• Number of common shares outstanding	24,285,862	24,217 716	24,228,216	24,228,216	24,278,716
• Number of preferred shares (without voting rights) outstanding	-	-	-	-	-
• Maximum number of future shares to create					
- by bond conversions	-	-	-	-	-
- by exercising voting rights	-	-	-	-	-
Operations and income for the year					
• Revenues (ex. VAT)	131,828,057	136,879,786	144,443,158	151,115,740	166,815,484
• Income before tax, employee profit sharing and allocations to depreciation, amortization and provisions	7,484,448	4,232,597	7,865,319	36,616,807	(638,737)
• Corporate income tax	(188,421)	(476,354)	(244,103)	(168,066)	108,338
• Employee statutory profit sharing due for the year	-	-	-	-	-
• Income after tax, employee profit sharing, and allocations to depreciation, amortization and provisions	7,231,311	3,698,492	7,882,206	36,386,781	(637,977)
• Income distributed	4,857,172	48,435,432	24,228,216	26,651,038	29,134,459
Earnings per share					
• After tax income, employee profit sharing, but before allocations to depreciation and provisions	0.30	0.15	0.31	1.50	(0.03)
• Income after tax, employee profit sharing, and allocations to depreciation, amortization and provisions	0.30	0.15	0.33	1.50	(0.03)
• Dividend attributed to each share	0.20	2	1	1.1	1,2*
Personnel					
• Average number of salaried personnel employed during the year	18	20	22	23	23
• Payroll for the year	1,567,229	1,459,368	1,546,304	1,732,920	1,787,182
• Sums paid for fringe benefits for the year (Social Security, social services, etc.)	684,120	644,368	660,867	743,847	765,759

* Subject to approval by the Shareholders' Meeting (third resolution) of June 6, 2024.

7.4. DRAFT RESOLUTIONS TO BE SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF JUNE 6, 2024

The resolutions presented below were approved by the Board of Directors on March 6, 2024 and will be submitted for approval to the Combined Shareholders' Meeting on June 6, 2024. They may be supplemented by the shareholders who have the power to do so, in accordance with the procedures and within the time limits set by law. The rationale for certain resolutions is also indicated in the management report or the report on corporate governance.

COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

Presentation and explanatory statement – 1st and 2nd resolution

After taking note of the Board of Directors' reports, the company annual financial statements, the Group consolidated financial statements and the statutory auditors' reports, the first two resolutions allow shareholders to give an opinion on the NEURONES consolidated and corporate financial statements for the year ending December 31, 2023 and as presented in the “Consolidated financial statements” and “Corporate financial elements” sections of the 2023 Universal registration document.

First resolution

Approval of the consolidated financial statements

The Shareholders, after having reviewed:

- the management report;
- the report on corporate governance,
- the auditors' report on the consolidated financial statements,

1) approve the consolidated financial statements for the year, showing a net profit (Group share) rounded to €49.4 million,
2) approve, in addition, all the transactions and measures reflected in those financial statements or summarized in the Board of Directors' management report.

Second resolution

Approval of the Company financial statements

The Shareholders, after having reviewed:

- the management report;
- the report on corporate governance,
- the auditors' report on the company financial statements,

1) approve the financial statements for the Company’s financial year, showing a net loss rounded to €638,000,
2) approve, in addition, all the transactions and measures reflected in those financial statements or summarized in the management report.

Presentation and explanatory statement – 3rd resolution

With this third resolution, the Board of Directors, after noting the distributable profit for fiscal year 2023, proposes that shareholders approve the distribution of a dividend of €1.2 per share. The difference between the dividend calculated based on the number of shares composing the capital at December 31, 2023 and the actual dividend paid will, if necessary, be charged to additional paid-in capital. This dividend is fully eligible for the 40% allowance mentioned in 2° of Article 158 of the French General Tax Code.

Third resolution

Allocation of profit and distribution of a dividend

In view of positive retained earnings of €14,659,697.29 and a loss for the year of €637,977.39, the distributable profit stands at €14,021,719.90.

The Shareholders decide to distribute a dividend of €1.2 per share, i.e. a total of €29,134,459.20*.

The dividends are deducted in priority from the distributable profit. The Shareholders decide that the remainder, i.e. of €15,112,739.30*, will be taken from the share premium account (additional paid-in capital), which stands at €30,593,421.36 at December 31, 2023.

As a result, retained earnings will be reduced to zero and the share premium account to €15,480,682.06*.

* Calculated based on the number of shares making up the share capital on December 31, 2023 (i.e. 24,278,716), which will be adjusted if necessary.

The dividend will be ex-dividend as of June 12 and payable on June 14, 2024.

The amount thus distributed between the Shareholders is fully eligible for the 40% allowance provided for in Article 158(3)(2°) of the French General Tax Code.

As required by law, the dividends distributed over the past three years are noted:
2020: €2 per share,
2021: €1 per share,
2022: €1.1 per share,

Presentation and explanatory statement – 4th resolution

The Board of Directors, either directly or through an intermediary, carried out a review of agreements between a corporate officer of NEURONES S.A. or one of the shareholders with more than 10% of voting rights and the company or another company controlled by NEURONES S.A. This review showed that no new regulated agreement was concluded during the year 2023. Only the agreement relating to the re-invoicing of shared expenses, concluded and authorized during a previous fiscal year and which continued to be executed, is a regulated agreement. The fourth resolution thus proposes to note that the statutory auditors' special report on regulated agreements and commitments with third parties does not mention any new agreements.

Fourth resolution

Regulated agreements and commitments

The Shareholders note that the Statutory Auditors' special report on the agreements and commitments, as referred to in Article L. 225-38 et seq. of the French Commercial Code, does not mention any new agreements.

Presentation and explanatory statement – 5th resolution

The Board of Directors proposes to the Shareholders' Meeting to approve its management during the 2023 fiscal year. The discharge is obviously only a release from liability for acts of management that the Shareholders' Meeting has been made aware of and which it has been able to ascertain.

Fifth resolution

Faithful discharge of duty

The Shareholders give the Board of Directors full, final and unconditional discharge for its management as at December 31, 2023.

Presentation and explanatory statement – 6th to 11th resolutions

The following six resolutions concern the renewal of the terms of office of the company's directors, which expire at the Shareholders' Meeting of June 6, 2024, in accordance with the provisions of the Bylaws that set their term of office at one year (renewable). The term of office of the Director representing employees also expires at the close of this Meeting. The Group Works Council will appoint a replacement for a period of three years, renewable once. General information about the directors and their qualifications is provided in Chapter 6 "Corporate governance".

Renewal of Directors' terms of office

Sixth resolution

The Shareholders decide to renew the term of office of Mr. Luc de Chammard as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, who has declared that he accepts the renewal of his office.

Seventh resolution

The Shareholders decide to renew the term of office of Mr. Bertrand Ducurtil as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, who has declared that he accepts the renewal of his office.

Eighth resolution

The Shareholders decide to renew the term of office of Ms. Marie-Françoise Jaubert as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, who has declared that she accepts the renewal of her office.

Ninth resolution

The Shareholders decide to renew the term of office of Mr. Jean-Louis Pacquement as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, who has declared that he accepts the renewal of his office.

Tenth resolution

The Shareholders decide to renew the term of office of Mr. Hervé Pichard as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, who has declared that he accepts the renewal of his office.

Eleventh resolution

The Shareholders decide to renew the term of office of Host Développement SAS, represented by Mrs. Daphné de Chammard, as a Director, for one year, until the date of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2024, which has declared that it accepts the renewal of its office.

Presentation and explanatory statement – 12th resolution
In accordance with legal provisions, the Board of Directors must submit to the Shareholders' Meeting for approval the compensation policy for corporate officers, whether or not they are executives.

Twelfth resolution

Approval of the compensation policy applicable to corporate officers ("say on pay" *ex ante*)

The Shareholders, having reviewed the Board of Directors' Corporate Governance Report, approve, pursuant to Article L. 22-10-8(II) of the French Commercial Code, the compensation policy applicable to corporate officers, as presented in Chapter 6, paragraph 6.3 of the Corporate Governance Report.

Presentation and explanatory statement – 13th resolution
The Directors, other than senior executives and Directors representing employees, receive compensation for their activity on the Board of Directors. In accordance with the legal provisions, the Board of Directors must submit a resolution to the Shareholders' meeting to set an annual ceiling amount for the remuneration of the directors for the year 2024. This overall sum, in whole or in part, will then be allocated among the directors concerned, in consideration of the compensation policy, which is the subject of the previous resolution. This year, an increase of two thousand euros is proposed in relation to previous years.

Thirteenth resolution

Setting the total annual compensation of directors ("say on pay" *ex ante*)

The Shareholders, after having reviewed the Corporate Governance Report, and pursuant to Article 225-45 of the French Commercial Code, decide to set the annual fixed sum to be allocated to the directors as compensation for their work in 2024, at €22,000 (twenty-two thousand euros).

Presentation and explanatory statement – 14th resolution
In accordance with legal provisions, the Shareholders' Meeting must reach a decision on a draft resolution concerning the information mentioned in paragraph I of article L.22-10-9. These are the elements concerning the compensation paid and benefits granted, where applicable, to the various corporate officers, pursuant to the compensation policy and detailed in the Corporate Governance Report (paragraph 6.3).

Fourteenth resolution

Approval of information relating to the compensation of corporate officers ("say on pay" *ex post*)

Pursuant to paragraph I of Article L. 22-10-34 of the French Commercial Code, the Shareholders approve the information referred to in paragraph 1 of Article L. 22-10-9 of the same Code, as set out in the "Report on compensation" in the "Compensation and benefits of corporate officers" section of the Corporate Governance Report.

Presentation and explanatory statement – 15th and 16th resolutions
In accordance with the provisions of the French Commercial Code, the Shareholders' Meeting must decide on the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during the past fiscal year or attributed for the same fiscal year by separate resolutions for the Chairman and CEO and the Executive Vice-President. These elements are presented in the "Report on compensation" section (in the "Compensation paid or awarded to executive corporate officers during or for fiscal year 2023, benefits and other commitments" section) of paragraph 6.3 of the Corporate Governance Report.

Fifteenth resolution

Approval of the compensation of the Chairman and CEO ("say on pay" *ex post*)

Pursuant to Article L. 22-10-34(II) of the French Commercial Code, the Shareholders approve the components of the total compensation and benefits of any kind paid during or awarded for the year ended December 31, 2023 to Mr. Luc de Chammard, as presented in the Corporate Governance Report.

Sixteenth resolution

Approval of the compensation of the Executive Vice-President ("say on pay" *ex post*)

Pursuant to Article L. 22-10-34(II) of the French Commercial Code, the Shareholders approve the components of the total compensation and benefits of any kind paid during or awarded for the year ended December 31, 2023 to Mr. Bertrand Ducurtil, as presented in the Corporate Governance Report.

Presentation and explanatory statement – 17th resolution
The Shareholders' Meeting of June 8, 2023 renewed the authorization given to the company to buy back its own shares. In order to maintain this option, the Board of Directors proposes that the Shareholders' Meeting renew the authorization previously granted.

For information purposes, it is specified that, based on the share capital at December 31, 2023 (comprising 24,278,716 shares), the maximum number of shares that may be purchased by the company is 2,427,871, representing a maximum purchase amount of around €180 million, if the shares are bought back at €75 a share. The Board of Directors will provide shareholders in its report to the annual Shareholders' Meeting, all information related to share purchases and sales actually carried out based on the authorization.

It should specified a proposal is to be submitted to the Shareholders' Meeting of June 6, 2024 (28th resolution) to renew the authorization given to the Board of Directors by the Shareholders' Meeting to reduce the share capital by canceling treasury shares. A maximum of 10% of the shares comprising the share capital could be cancelled per 24-month period pursuant to this authorization.

Seventeenth resolution

Company buy-back of its own shares (valid for 18 months)

Pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code, the Shareholders, after having reviewed the Board of Directors' management report, authorize the Board of Directors, for a period of up to 18 months from the date of this Meeting, to purchase the Company's own shares in order to:

1) subsequently cancel them,
2) cover:
    a. stock option plans and other forms of allotting shares to employees and/or to corporate officers of the Group, especially for Company

profit-sharing schemes, a company savings plan or an allotment of bonus shares,

b. financial instruments carrying a right to an allotment of shares in the Company,

3) simulate the share price through an Investment Service Provider via a liquidity agreement complying with the code of professional conduct of the Association Française des Marchés Financiers (French Association of Financial Markets),
4) hold purchased shares for subsequent use in exchange or as payment for an acquisition.

The shares may be bought back through market transactions or by purchasing blocks, without any specific limitation for such block acquisitions.

The maximum price at which the shares may be acquired is set at €75 (excluding acquisition costs) per share.

The number of shares that can be purchased by the Company cannot exceed 10% of the Company's share capital, it being noted that the number of shares acquired with the view of subsequently being exchanged or used as payment as part of acquisitions cannot exceed 5% of the share capital.

The Shareholders grant full powers to the Board of Directors, with the right to sub-delegate, to place all stock market orders, conclude all agreements, make all statements and perform all formalities with all organizations and, in general, do everything necessary.

The Shareholders note that this authorization supersedes any previous authorization given for the same purpose.

Presentation and explanatory statement – 18th resolution
The Ordinance dated December 6, 2023 sets out changes to companies' sustainability transparency obligations. In particular, it requires companies to have their sustainability report certified by a statutory auditor, the first version of which will be produced in early 2025 (2024 data). The Board of Directors therefore proposes that BM&A be appointed for a period equivalent to the remainder of its mandate to certify NEURONES' company financial statements and consolidated financial statements, i.e. for a period of three years.

Eighteenth resolution

Appointment of a statutory auditor to verify sustainability information

On the recommendation of the Board of Directors, the Shareholders' Meeting decided to appoint BM&A – 11 rue de Laborde – 75008 Paris – Paris Trade and Companies Register: 348 461 443 – as statutory auditor in charge of verifying sustainability information. This appointment will expire at the same time as BM&A's appointment to certify the annual and consolidated financial statements, i.e. at the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026 and held in 2027.

COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Presentation and explanatory statement – 19th resolution
The Board wishes to retain the possibility of granting bonus shares, considering that this system makes it possible to strengthen the motivation and loyalty of beneficiaries by associating them directly with the company's performance. The authorization currently in effect is the one given by the Meeting of June 2, 2022, which expires on June 2, 2024.

At the Shareholders' Meeting to be held on June 6, 2024, the shareholders will be asked to renew this authorization, with the possibility of allocating, either in one or more instalments, up to 240,000 bonus shares, whether existing or to be issued, representing just under 1% of the share capital at December 31, 2023.

The Board of Directors shall report to the shareholders in a special report containing the information specified in Article L.225-197-4 of the French Commercial Code, concerning the allocation of bonus shares.

Nineteenth resolution

Bonus share allotments (valid for 24 months)

The Shareholders, after having reviewed the management report and the Statutory Auditors' special report, in accordance with Article L. 225-197-1 et seq. of the French Commercial Code, authorize the Board of Directors to allot bonus shares from existing shares or shares to be issued by the Company, via one or more allotments, to members of the salaried personnel of the Company or affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code and to corporate officers of the company or affiliated companies, in compliance with the provisions of Article L. 225-197-6.

Whenever shares to be issued are allotted, the Shareholders delegate to the Board of Directors all necessary powers to decide one or more increases in share capital (by capitalizing additional paid-in capital, reserves, profit or any other items available for capitalization under the applicable provisions of the law and the bylaws) as required for the bonus allotments of new common shares issued by the Company.

No more than 240,000 common shares may be allotted as a bonus allotment under this authorization.

The minimum vesting period is set at two years. The Board of Directors will determine, at the time of each allotment, the vesting period after which the allotment of common shares will vest in the holder. This period may not be less than the two-year period set in this authorization. However, the allocation of the shares to their beneficiaries will become definitive before the end of the vesting period in the event the beneficiary becomes disabled according to the classification in the second or third categories provided for in Article L.341-4 of the French Social Security Code.

No minimum holding period has been set by the Shareholders. The Board of Directors will determine, where appropriate, at the time of each allotment, the relevant lock-up period commencing on the date on which the common shares vest. During the lock-up period, if any, the shares will be freely transferable if the beneficiary is affected by a disability falling within the above-mentioned categories of the French Social Security Code.

The Shareholders note that whenever shares to be issued are allotted, this authorization entails, for the benefit of the beneficiaries of the bonus shares, a waiver by the Shareholders of their preemptive subscription rights and, more generally, any right to the bonus allotment of common shares or the fraction of the reserves, profit or additional paid-in capital to be used, where applicable, to increase the share capital on the basis of this authorization.

The Shareholders grant full powers to the Board of Directors, subject to the limits set out above, to implement this authorization and, in particular, to:
- allot bonus shares,
- determine the conditions and, where applicable, the criteria for allotting common shares and, in compliance with the applicable legal provisions, the dates on which the bonus shares will be allotted,
- determine the identity of the beneficiaries, the number of bonus common shares to be allotted to each of them, how the shares will be allotted and, in particular, the vesting period and, where applicable, the lock-up period for the shares thus allotted,
- decide any adjustments, on the terms it determines, during the vesting period for the bonus shares, to take into account the impact of transactions involving the Company's share capital and, in particular, determine how the number of common shares allotted will be adjusted,
- determine the terms and conditions of any issues to be carried out under this authorization, in particular the date on which the holders of new shares will be entitled to receive dividends, and
- more generally, with the right to sub-delegate in accordance with the applicable legal provisions, conclude any agreements, produce all documents, record increases in share capital reflecting the vesting of the relevant shares, amend the bylaws accordingly, where necessary, apply for the admission of the new shares for listing, perform all formalities and, more generally, do everything necessary.

The Board of Directors will inform the Shareholders at a Shareholders' Meeting each year of the allotments made under this resolution in accordance with Article L. 225-197-4 of the French Commercial Code.

The Board of Directors may use this authorization, via one or more allotments, for 24 months from the date of this Meeting.

The Shareholders note that this authorization supersedes the unused portion of any previous authorization given for the same purpose.

Presentation and explanatory statement – 20th to 25th resolutions

The Board of Directors would like the Shareholders' Meeting to renew the authorizations to increase the Company's capital in the following ways:
- capital increase through the issue of ordinary shares with preemptive subscription rights and/or incorporation of reserves, profits or additional paid-in capital (20th resolution),
- capital increase without preemptive subscription rights and by public offering (21st resolution),
- capital increase without preemptive subscription rights and by private placement (22nd resolution),
- issue of shares in consideration for contributions in kind (24th resolution),
- issue of shares in the event of a public exchange offer initiated by the Company (25th resolution).

The 23rd resolution deals with the authorization to increase the amount of issues by 15% in the event of oversubscription. This concerns the capital increases under resolutions 20, 21 and 22.

The nominal value of capital increases and the value of securities giving access to the Company's capital (e.g., Bonds with redeemable warrants) would each be capped at €9 million nominal and €90 million respectively (see 26th resolution). They would be capped at these amounts for resolutions 19, 20, 21, 22, 23, 24 and 25. The nominal amount of the capital increases provided for in the 19th resolution would be included in the overall ceiling of €9 million in nominal value, on the basis of the authorization given in the 20th resolution.

The previous authorizations concerning capital increases, granted by the Shareholders' Meeting of June 2, 2022 and expiring in August 2024, were used once by the Board, in 2023 for the delivery of a bonus share allocation plan.

These new authorizations would be granted for a period of 26 (twenty-six) months.

Twentieth resolution

Increase in share capital by issuing common shares, with the Shareholders' preemptive subscription rights maintained, and/or by capitalizing reserves, additional paid-in capital or profit (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' management report, pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-50 and L. 228-91 to L. 228-97 of the French Commercial Code:
- delegate to the Board of Directors their authority to increase the share capital, via one or more increases, in the proportions and at the times it deems fit, both in France and abroad:
  - by issuing, with the Shareholders' preemptive subscription rights maintained, free of charge or against payment, common shares, common shares carrying a right to an allotment of other common shares or debt securities and/or any securities conferring an immediate entitlement or a future entitlement, at any time or on a fixed date, to the Company's common shares to be issued, which may be subscribed for in cash or by offsetting debts; and/or
  - by capitalizing additional paid-in capital, reserves, profit or any other sums that may be capitalized following a bonus share allotment or an increase in the nominal value of existing shares or a combination of those two methods. It is noted that, in the event of an increase in share capital following a bonus share allotment, any rights to fractional shares will not be tradable or transferable and the corresponding equity securities will be sold and the proceeds of the sale will be allocated to the holders of the rights within the period provided for in the applicable legal and regulatory provisions;
- set at 26 (twenty-six) months the period of validity of this delegation, as of the date of this Meeting;
- decide to set, as follows, the maximum amounts of issues that may be performed by the Board of Directors under this delegation of authority:
  - the aggregate nominal amount of the shares that may be issued immediately or in the future under this delegation of authority is limited to €9 million, it being specified that this cap includes the aggregate nominal amount of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods. In addition, this amount will be deducted from the overall ceiling set in the 26th resolution;
  - the total nominal amount of the financial securities representing claims on the company that may be issued may not exceed €90 million, this amount being deducted from the overall ceiling set in the 26th resolution;
- if the Board of Directors uses this delegation of authority for the issues described above:
  - decide that the Shareholders may exercise, under the conditions provided for by law, their preemptive subscription rights in proportion to the number of entitling shares held. In addition, the Board of Directors may grant the Shareholders the right to subscribe for excess shares or other financial instruments, beyond the number of shares they could subscribe in proportion to the number of entitling shares held, in proportion to their subscription rights and subject to the number requested;
  - decide that, if the subscriptions in proportion to the number of entitling shares held and, where applicable, excess subscriptions, do not absorb the entire issue, the Board of Directors may use, in the order it deems appropriate, one or more of the following rights:
    (i) restrict the issue, where applicable in accordance with the provisions and within the limits provided for in the regulations in force, to the amount of the subscriptions received;
    (ii) freely allocate all or part of the unsubscribed instruments between the persons it selects;
    (iii) offer to the public all or part of the unsubscribed instruments issued;

- note, for the avoidance of doubt, that an issue of financial instruments conferring an entitlement to the share capital entails a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
- decide that any issue of warrants to subscribe for shares in the Company may either be offered up for subscription or allotted free of charge to the owners of existing shares, it being specified that the Board may decide that any allotment rights to fractional shares may not be traded and that the corresponding instruments will be sold;
- decide that the sums payable, or that should be payable, to the Company for each share issued or to be issued under this delegation of authority, after taking into account, where applicable, in cases where stand-alone share subscription or allotment warrants are issued, the issue price of the said warrants, must be at least equal to the face value of the said shares on the issue date;
- decide that the Board of Directors holds full powers, with the right to sub-delegate in accordance with the applicable legal provisions and subject to the limits set above, to implement this delegation of authority and, in particular, to:
  (i) determine the terms of the issue(s), the nature and characteristics of the securities conferring an entitlement to the share capital, how the underlying instruments will be allotted and the dates on which the allotment rights may be exercised;
  (ii) charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital;
  (iii) make any adjustments to take into account the impact of transactions involving the share capital;
  (iv) enter into any agreement required for a successful completion of the issues, record the completion of the increases in share capital, amend the bylaws accordingly and, more generally, do everything necessary in that respect;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Twenty first resolution

Increase in share capital with preemptive subscription rights cancelled, via a public offering (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, specifically, Articles L. 225-129, L. 225-129-2, L. 22-10-52 and L. 228-91 et seq.:

- delegate to the Board of Directors their authority to increase the share capital, via one or more increases, in the proportions and at the times it deems fit, both in France and abroad, by issuing, with the Shareholders' preemptive subscription rights cancelled, via a public offering, common shares, that may carry a right to an allotment of other common shares or debt securities and/or any securities conferring an entitlement to common shares to be issued, which may be subscribed for in cash or by offsetting debts;
- set at 26 months the period of validity of this delegation of authority, as of the date of this Meeting;
- decide to set, as follows, the maximum amounts of issues that may be performed by the Board of Directors under this delegation of authority:
  - the aggregate nominal amount of the common shares that may be issued under this delegation of authority is limited to €9 million, including the aggregate face value of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods. In addition, this amount will be deducted from the overall ceiling set in the 26th resolution;
  - the nominal amount of the financial instruments representing debts owed by the Company that may be issued is limited to €90 million. It is to be deducted from the overall ceiling mentioned in the 26th resolution;
- decide to cancel the Shareholders' preemptive subscription rights for the shares and financial instruments covered by this resolution, while authorizing the Board of Directors to elect to grant them a preferential right, in accordance with the law and, more specifically, the provisions of Article L. 22-10-51 of the French Commercial Code;
- decide, in the event that subscriptions do not absorb the entire issue, to authorize the Board of Directors to restrict the amount of the transaction to the amount of the planned subscriptions, within the limits prescribed in the applicable legal and regulatory provisions or to freely allocate all or part of the unsubscribed instruments;
- decide that the sum payable, or that should be payable, to the Company for each common share issued or to be issued under this delegation of authority, after taking into account, in cases where stand-alone share subscription warrants are issued, the issue price of the said warrants, must be at least equal to the face value of the said shares on the issue date. They also decide that the price will be set by the Board, within the limit of 10% of the share capital - assessed on the issue date - over a period of 12 (twelve) months and must be at least equal to the weighted average of the prices of the last twenty stock market trading sessions preceding the setting of the issue price, as potentially reduced by a maximum discount of 10%;
- note, for the avoidance of doubt, that this decision entails, for the benefit of the holders of the financial instruments issued under this delegation of authority, a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
- decide that the Board of Directors holds full powers, with the right to sub-delegate in accordance with the applicable legal provisions and subject to the limits set above, to implement this delegation of authority and, in particular, to:
  - determine the terms of the issue(s), the nature and characteristics of the securities conferring an entitlement to the share capital, how the underlying instruments will be allotted and the dates on which the allotment rights may be exercised;
  - charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital;
  - make any adjustments to take into account the impact of transactions involving the share capital;
  - enter into any agreement required for a successful completion of the issues, record the completion of the increases in share capital, amend the bylaws accordingly and, more generally, do everything necessary in that respect;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Twenty second resolution

Increase in share capital with preemptive subscription rights cancelled via a private placement (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, specifically, Articles L. 225-129-2, L. 22-10-52 and L. 228-92:

- delegate to the Board of Directors their authority to decide, via one or more increases, in the proportions, at the times and on the terms it deems fit, both in France and abroad, to issue, via one or more of the offerings referred to in Article L. 411-2(1°) of the French Monetary and Financial Code, common shares carrying a right to an allotment of other common shares or debt securities and/or any securities conferring an entitlement to common shares to be issued, which may be subscribed for either in cash or by offsetting debts;
- set at 26 months the period of validity of this delegation of authority, as of the date of this Meeting;
- decide that the issues to be performed under this delegation of authority may be carried out via offerings to a restricted circle of investors acting on their own behalf or to qualified investors as defined in Article L. 411-2 of the French Monetary and Financial Code and therefore decide to cancel the Shareholders' preemptive subscription rights for the

instruments issued, for the benefit of those persons;
- decide that the aggregate amount of increases in share capital carried out immediately or in the future under this delegation of authority will be limited to 20% of the share capital per year and will be applied against the overall cap of €9 million set out in the 26th resolution, including, where applicable, the aggregate face value of any additional shares that may need to be issued to protect the rights of holders of securities conferring an entitlement to the share capital, in accordance with the law and any contractual provisions that may impose other protective methods;
- decide, moreover, that the nominal amount of any debt securities conferring an entitlement to the share capital that may be issued under this authorization is limited to €90 million and that amount is applied against the overall cap set out in the 26th resolution;
- decide that after taking into account (in the event of an issue of stand-alone warrants) the issue price of the said warrants, the price of the shares must be at least equal to the weighted average of the prices of the last twenty stock market trading sessions preceding the setting of that price, as potentially reduced by a maximum discount of 10%. The issue price of securities conferring an entitlement to the share capital and the number of underlying shares available via a conversion, redemption or, generally, transformation of each security conferring an entitlement to the share capital will be such that the amount received immediately or in the future by the Company, for each share issued as a result of the issue of those securities, must be at least equal to the minimum price defined above. Subject to the above, the Board of Directors may set the issue price of the securities, within the limit of 10% of the share capital, assessed on the issue date, over a period of 12 (twelve) months;
- note that, in the event that the subscriptions do not absorb the entire issue, the Board may restrict the amount of the transaction to the amount of the planned subscriptions, within the limits prescribed in the applicable legal and regulatory provisions and/or freely allocate all or part of the unsubscribed instruments;
- decide that the Board of Directors shall have all necessary powers, with the option to sub-delegate these powers in accordance with the law and within the limits specified above, to implement this delegation of authority and notably to set the terms and conditions of the issue(s), the nature and characteristics of the securities giving access to the share capital, the terms and conditions for the allotment of the securities to which these securities give entitlement and the dates on which the allotment rights may be exercised, to offset, at its sole discretion, the costs of the capital increases against the amount of the additional paid-in capital relating thereto, to make any adjustments to take account of the impact of transactions on the share capital, to enter into any agreement required for the successful completion of the issuing of securities, to record the completion of the capital increases, to amend the Articles of Association accordingly and, generally, to do whatever is deemed necessary in such matters;
- note that this delegation of authority supersedes any previous delegation of authority given for the same purpose.

Twenty third resolution

Authorization to increase the amount of issues by 15% in the event of oversubscription (valid for 26 months)

For each of the issues decided pursuant to resolutions 20, 21 and 22, the Shareholders' Meeting, after having reviewed the report of the Board of Directors and in accordance with the provisions of Article L.225-135-1 of the French Commercial Code, authorizes the Board, for a period of 26 (twenty-six) months, to increase, at its sole discretion and within the limit of the overall ceiling set in the 26th resolution, the number of common shares or financial securities to be issued if the Board notes that there is an excess demand. In such a case, the increase in the number of instruments is limited to 15% of the initial issue and at the same price as that used for the initial issue, in accordance with the provisions of Article R. 225-118 of the French Commercial Code.

The Shareholders note that this authorization supersedes any previous authorization given for the same purpose.

Twenty fourth resolution

Issue of shares as consideration for contributions in kind (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' report and after having noted that the share capital is fully paid up, voting in accordance with the provisions of Article L. 22-10-53 of the French Commercial Code:
- delegate authority to the Board of Directors to issue, on one or more occasions, common shares or any securities governed by the provisions of Articles L. 228-91 et seq. of the French Commercial Code, giving immediate or future access to the Company's common shares, in order to remunerate contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable, up to a limit of 10% of the Company's share capital at the time of issue, it being stipulated that the amounts of the issues carried out by virtue of the present delegation of authority will be deducted from the overall ceiling referred to in the 26th resolution below.
- note that, pursuant to the provisions of Article L. 225-132 of the French Commercial Code, this delegation of authority automatically entails, for the benefit of the holders of any securities that may be issued under this delegation of authority, a waiver by the Shareholders of their preemptive subscription rights for the underlying shares;
- note that, pursuant to the provisions of Article L. 225-147 of the French Commercial Code, the Board of Directors will decide on the basis of the Statutory Auditors' report;
- set the period of validity of this delegation of authority at 26 (twenty-six) months from the date of this Meeting;
- decide that the Board of Directors will hold full powers, with the right to sub-delegate, in accordance with the applicable provisions of the law and the bylaws, to implement this delegation of authority, in particular to:
  - decide the increase of share capital remunerating the contributions and determine the number and nature of the instruments to be issued;
  - determine the issue terms for the instruments to be issued to remunerate the contributions;
  - approve the valuation of the contributions and, if relevant, reduce valuation of the contributions, if all the contributors agree;
  - set the exchange ratio and, if applicable, the amount of the balancing cash payment to be made;
  - define, if necessary, how the rights attached to the instruments issued or to be issued may be exercised and, in particular, set the date, even retroactively, from which the new shares will carry dividend rights and determine how the rights of exchange, conversion, redemption or allotment in any other way may be exercised for the instruments issued;
  - suspend, if applicable, the exercise of the rights attached to those instruments, in compliance with the legal and regulatory provisions;
  - make any adjustments required under the laws and regulations in force and determine how the rights of holders of securities conferring an entitlement to the share capital will be protected, where applicable;
  - charge, at its sole discretion, the costs incurred by the increases in share capital to the related additional paid-in capital and deduct from that amount the sums required to restore the legal reserve to one tenth of the new share capital amount, after each increase in share capital;
  - record the completion of the increases in share capital resulting from the issues decided under this delegation of authority and amend the bylaws accordingly;
  - generally, enter into any agreement and/or take any steps and perform any formalities, as appropriate for the issue of the instruments issued under this delegation of authority or their admission for trading on a market and for the exercise of the rights attached thereto;

- note that the Board of Directors will report back to the Shareholders at the next Ordinary Shareholders' Meeting on any use of this delegation of authority, in accordance with the law and regulations.

Twenty-fifth resolution

Issuing of shares in the event of a public exchange offer initiated by the Company (valid for 26 months)

The Shareholders, after having reviewed the Board of Directors' management report and the Statutory Auditors' special report, in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-49, L. 225-129-5, L. 225-129-6, L. 22-10-54, L. 228-91 and L. 228-92 of the French Commercial Code:

- decide that the Board of Directors may, via one or more issues, issue shares and any other securities conferring an entitlement to the Company's share capital, as consideration for instruments contributed as part of a Public Exchange Offer for the instruments of another company admitted for trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code, initiated by the Company, in France or abroad;
- decide, if necessary, to cancel the Shareholders' preemptive subscription rights to the share and securities to be issued for the benefit of the holders of those instruments;
- decide that the total nominal amount of the capital increases that may be carried out by virtue of this delegation of authority is set at €9 million, it being specified that the amounts of the issues carried out by virtue of this delegation will be deducted from the overall ceiling referred to in the 26th resolution;
- decide that the delegation of authority granted to the Board of Directors in this resolution is valid for 26 (twenty-six) months.

Presentation and explanatory statement - 26th resolution

The Board proposed setting the following overall ceiling for the issues that would be decided based on the delegations over authority granted in the 19th, 20th, 21st, 22nd, 23rd, 24th and 25th resolutions:

- the maximum aggregate nominal amount of the capital increases that may be effected pursuant to all of the above resolutions shall be €9,000,000 (nine million euros), it being specified that this ceiling shall include, where applicable, the nominal amount of any additional shares to be issued to preserve the rights of holders of securities giving access to the capital; At the current par value of 40 euro cents, the €9 million ceiling corresponds to around 22.5 million shares, for a total of 24.3 million shares outstanding at the end of 2023;
- the total nominal amount of debt securities giving access to the company's capital that may be issued pursuant to the above-mentioned resolutions may not exceed €90,000,000 (ninety million euros).

Twenty-sixth resolution

Overall limit on the amount of issues performed under the authorizations set out in the 19th to 25th resolutions

The Shareholders, having reviewed the Board of Directors' report, decide as follows:

- the maximum total nominal amount of the increases in share capital performed on the basis of the delegations of authority set out in resolutions 19 to 25 of this Shareholders' Meeting shall be limited to €9,000,000 (nine million euros), it being specified that this cap includes the nominal amount of any increases in share capital that may be performed, as required to protect the rights of holders of rights or securities conferring an entitlement to the Company's share capital, in accordance with the law and any contractual provisions that may impose other protective methods.
- the total nominal amount of debt securities conferring an entitlement to the Company's share capital that may be issued under resolutions 19 to 25 is limited to €90,000,000 (ninety million euros).

Presentation and explanatory statement - 27th resolution

Pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code, joint stock companies are subject to specific requirements with respect to capital increases. These provisions require the Shareholders' Meeting, when deciding on any capital increase by cash contribution (immediate or deferred), to vote on a draft resolution to increase the share capital, the subscription of which would be reserved for members of a Company Savings Plan, established in accordance with articles L. 3332-18 et seq. of the French labor Code. As a consequence of certain preceding resolutions, the Board submits a resolution to the Shareholders' Meeting to authorize it, for a period of 18 months, to increase the Company's capital, on one or more occasions, by a maximum nominal amount of €200,000 (i.e., based on a par value of €0.40, a maximum of 500.000 new shares, representing just over 2% of the share capital based on the number of shares at December 31, 2023), through the issue of ordinary shares, reserved for members of a company savings plan set up by the Company or by a French or foreign company affiliated to it under the terms of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code.

Twenty-seventh resolution

Increase in share capital reserved for members of a company savings plan (valid for 18 months)

The Shareholders, after having reviewed the reports of the Board of Directors and the Statutory Auditors, authorize the Board of Directors, pursuant to Article L. 225-129 et seq. of the French Commercial Code and in accordance with the provisions set out in Article L. 3332-18 et seq. of the French Labor Code, to increase the share capital, via one or more increases and at its discretion, by a maximum nominal amount of €200,000 (two hundred thousand euros) per issue of shares to be subscribed for in cash and reserved, if necessary in separate tranches, for employees and former employees, and staff who have retired or taken early retirement, of the Company or affiliated companies within the meaning of Article L. 3344-1 of the French Labor Code, who are members of a company savings plan.

This delegation of authority entails an express waiver by the Shareholders of their preemptive subscription rights for the increase in share capital authorized as above.

This delegation of authority is valid for a period of 18 months from the date of this Meeting.

The Shareholders delegate full powers to the Board of Directors to carry out the increase in share capital authorized above and, in particular, to:

- determine, where applicable, the companies whose employees or employees who have retired or taken early retirement may subscribe for the shares issued under this authorization,
- settle all the terms and conditions of the transaction(s) to be performed and, in particular:
  - determine, where applicable, the length of service conditions that beneficiaries of the new shares must fulfill and the time within which the shares must be paid up,
  - decide the amount of the issue, the subscription price, the length of the subscription period, the dividend entitlement date, which may even be retroactive, for the new shares and, more generally, all the terms of each issue,
  - at its sole discretion, after each increase in share capital, to charge the transaction costs to the amount of the related additional paid-in capital,
  - perform all acts and formalities to record the completion of each increase in share capital for the amount of the shares actually subscribed for, amend the bylaws accordingly, complete all public notice formalities and, more generally, do everything that may be appropriate or necessary, with a right of substitution.

All of the above, in compliance with the legal and regulatory provisions in effect.

Presentation and explanatory statement - 28th resolution
Since the authorization granted to the Board by the Shareholders' Meeting to reduce the Company's capital by cancelling its treasury shares expires on June 6, 2024, the Shareholders Meeting is asked to renew this authorization for a period of 24 months and to delegate to the Board of Directors the power to cancel all or part of the shares acquired under the share buyback program, as provided for in the 17th resolution, and to reduce the share capital.

Twenty-eighth resolution

Authorization to reduce the share capital by cancellation of treasury shares (valid for 24 months)

Pursuant to Article L. 225-204 of the French Commercial Code, the Shareholders, having reviewed the management report and the Statutory Auditors' special report, authorize the Board of Directors to reduce the share capital, on one or more occasions, by cancelling all or part of the shares acquired by the Company itself, within the framework of the authorization granted at this Shareholders' Meeting in its seventeenth resolution and, if relevant, within the framework of the authorization granted during the Shareholders' Meeting of June 8, 2023.

The maximum number of shares that may be cancelled under this authorization in any twenty-four month period is 10% of the shares that make up the share capital.

In order to carry out the cancellation(s) and capital reduction(s) provided for by this authorization, the Shareholders grant the Board of Directors full powers to offset the difference between the book value of the cancelled shares and their nominal value against any reserves or paid-in capital, to amend the Articles of Association accordingly, and to complete all formalities, in accordance with the legal provisions in force when this authorization is used.

This authorization is granted for a period of twenty-four months from the date of this Shareholders' Meeting and supersedes any unused portion of any previous authorization for the same purpose.

JOINT REMIT

Twenty-ninth resolution

Powers

The Shareholders grant full powers to the holder of a copy of or extract from the minutes of this Meeting to fulfill all legal filing and public notice formalities.

8 Additional information

8.1. STATUTORY AND LEGAL INFORMATION

Company and trading name

NEURONES.

Registered Office

Building “le Clemenceau 1” – 205, avenue Georges Clemenceau – 92000 – Nanterre – France.

Legal form

The Company was set up as a French société anonyme (limited liability Company) with a Board of Directors governed by the French Commercial Code and the decree of March 23, 1967 on commercial companies.

Nationality

French.

Date of incorporation and duration of the Company

The Company was set up on December 5, 1984 for a term of 99 years, as of its registration in the Registre du Commerce et des Sociétés (French Company Trade Register) on January 15, 1985.

It will end on January 15, 2084, unless an extraordinary shareholders' meeting decides to extend the term or disband the company early.

Corporate charter (Article 3 of the bylaws)

The purpose of the Company, in France, the French overseas departments and abroad, is to carry out directly or indirectly all transactions concerning: consulting, design, production, development, deployment, installation, support, operation and distribution of any IT and electronic systems, both for services and software, applications and hardware, and generally any operation related to information, communication and training processes.

To achieve its purpose, the company may:
- do business, subcontract, represent and commission,
- import and export,
- own, acquire, lease, fit out, equip or convert any building, work site, store or warehouse,
- take out interests or holdings, by any means or methods, in any similar company or company likely to promote the development of its business, and
- generally, carry out any commercial, industrial and financial operations pertaining directly or indirectly to its purpose.

Company Trade Register

R.C.S. Nanterre B 331 408 336.

Fiscal year

The fiscal year starts on January 1 and ends on December 31 of each year.

Place where documents and information concerning the company may be consulted

The company bylaws, financial statements and reports, and the minutes of Shareholders' Meetings, can be consulted at its head office.

Statutory distribution of profits (Article 18 of the bylaws)

The profit or loss for the year is comprised of the difference between income and expenses for the year, after deducting amortization, depreciation, impairment and provisions, as reported in the income statement.

Any earlier losses are deducted from the year’s profit, then at least 5% is deducted and allocated to a reserve fund known as “legal reserves”.

This deduction ceases to be mandatory when the legal reserves amount to one tenth of the share capital.

If there is an outstanding balance available, the Shareholders' Meeting decides to either distribute it, carry it over again, or enter it under one or more reserve items, which it decides how to allocate and use.

After having noted the existence of available reserves, the Shareholders' Meeting may decide to distribute sums drawn from these reserves. In this case, the decision shall expressly indicate the items from which the deductions are made.

The Shareholders' Meeting may grant shareholders the option to receive all or part of the dividend or interim dividend in cash or in shares.

Legal organization of the Group

NEURONES S.A. is the holding company of a group made up, as of December 31, 2023, of sixty-eight subsidiaries and “sub-subsidiaries” (direct or indirect control, within the meaning of article L.233-3 of the French Commercial Code). The twelve direct subsidiaries are all French and the head offices are located in the Paris region: Nanterre, Paris, La Défense (Puteaux), Neuilly-sur-Seine and Levallois-Perret. The head offices of the "sub-subsidiaries" are located in the Paris region, Nantes, Marseille, Lyon and abroad (Germany, Belgium, USA, India, Italy, Romania, Singapore, Switzerland and Tunisia). Several Group companies have secondary offices (in particular in Lyon, Angers, Nantes, Rennes, Lille, Amiens, Bordeaux, Orléans, Toulouse, Aix-en-Provence and Tours).

The majority of subsidiaries and “sub-subsidiaries” are simplified joint stock companies (i.e. fifty-three of them, which are all French). Eleven are limited liability companies or equivalent legal forms abroad (one in France and ten abroad). Finally, four are limited companies or equivalent legal forms (in Tunisia, Switzerland and the United States).

The managers of subsidiaries and "sub-subsidiaries" hold a minority share (ranging from around 0.5% to 49%) in the capital of the company they manage. Although they have the most extensive powers vis-a-vis third parties, these powers are governed by the bylaws as an internal measure and the different corporate officers must first request authorization from the Shareholders' Meeting for any decision exceeding day-to-day management.

8.2. PERSONS IN CHARGE OF AUDITING THE FINANCIAL STATEMENTS

Statutory Auditors

KPMG S.A.
Tour Eqho – 2, avenue Gambetta – 92066 Paris La Défense cedex
Represented by Mrs. Camille Mouysset.

Date of first appointment: appointed during the Shareholders' Meeting of June 25, 2004.
Date of current appointment: renewed during the Shareholders' Meeting of June 8, 2023.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2028.

BM&A
11, Rue Laborde – 75008 Paris
Represented by Mr. Thierry Bellot and Mrs. Céline Claro.
Date of first appointment: appointed during the Shareholders' Meeting of June 30, 1997.
Date of current appointment: renewed during the Shareholders' Meeting of June 3, 2021.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2026.

Alternate Auditors

SALUSTRO REYDEL
Tour Eqho – 2, avenue Gambetta – 92066 Paris La Défense cedex
Represented by Mrs. Béatrice de Blauwe.
Date of first appointment: appointed during the Shareholders' Meeting of June 8, 2017.
Date of current appointment: renewed during the Shareholders' Meeting of June 8, 2023.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2028.

Mr. Eric Blache
11, Rue Laborde – 75008 Paris
Date of first appointment: appointed during the Shareholders' Meeting of June 24, 2005.
Date of current term: renewed at the Ordinary Shareholders' Meeting of June 3, 2021.
End of appointment: appointment expires at the Shareholders' Meeting called to rule on the financial statements for the year ended December 31, 2026.

Person in charge of information

Luc de Chammard – NEURONES – Building "le Clemenceau 1" – 205, avenue Georges Clemenceau – 92000 – Nanterre – France.

Affidavit of the person responsible for the Universal Registration Document

"I certify that the information contained in this Universal Registration Document, to the best of my knowledge, truly and fairly reflects the existing situation and contains no omissions that could impair its full meaning.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and earnings of the Company and all of its consolidated subsidiaries, and further that the management report, included in this document, presents a true and fair view of the ongoing development and performance of the business, earnings and financial position of the Company and all of its consolidated subsidiaries as well as a description of the main risks and uncertainties to which they are exposed."

8.3. RELATED INFORMATION

Information included for reference purposes

Pursuant to Article 19 of European Regulation No. 2017/1129, the following information is included by reference in this Universal Registration Document:

- the consolidated financial statements and the statutory auditors' report thereon for the year ended December 31, 2021, set out on pages 76 to 100 of the Universal Registration Document filed with the AMF on April 22, 2022 under number D.22-0338.
- the consolidated financial statements and the statutory auditors' report thereon for the year ended December 31, 2022, set out on pages 80 to 102 of the Universal Registration Document filed with the AMF on April 21, 2023 under number D.23-0328.

Publicly available documents

The following documents in particular are available on the company website (www.neurones.net):

- this 2023 Universal Registration Document,
- the 2019 to 2022 Universal Registration Documents and the 2000-2018 Reference Documents.

The company bylaws can be consulted at NEURONES' head offices: 205, avenue Georges Clemenceau – 92000 – Nanterre – France.

The 2019 to 2022 Universal Registration Documents and this 2023 Universal Registration Document are also available on the AMF website (www.amf-france.org).

8.4. TABLES OF CONCORDANCE

Information required by European Regulation 2019/980

	Headings of Annex 1 and 2 of European Regulation No. 2019/980	Pages
1.	Persons responsible	74, 102, 112, 147
2.	Statutory auditors	102, 112
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5.	Business overview	46 à 59
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AUTORITÉ DES MARCHÉS FINANCIERS

AMF

2023 UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL

This Universal Registration Document was filed with the Autorité des Marchés Financiers (AMF) on April 25, 2024, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

The Universal Registration Document may be used for the purposes of a public offering of marketable securities or the listing of marketable securities for trading on a regulated market if it is supplemented by a marketable securities note and, where applicable, a summary and any amendments to the Universal Registration Document, all of which have been approved by the AMF in accordance with the aforementioned regulation.

This 2023 Universal Registration Document and Annual Financial Report is available at www.neurones.net - Investors - Annual reports.

Glossary

The terms defined below essentially relate to NEURONES' various businesses. This glossary is therefore intended to facilitate the understanding of the technical words, acronyms and abbreviations used in the Group's publications, including this Universal Registration Document.

ACM (ADVANCED CASE MANAGEMENT OR CASE MANAGEMENT): A sub-family or evolution of Business Process Management (see BPM below), Case Management models processes that are not very or not at all predictive, which are longer than the simple processes handled by standard BPM, and require collaborative work. By allowing for unexpected events (e.g., the order of arrival of documents in a credit file is irrelevant; downstream analysis work can begin even if the file is not complete), Case Management deals with processes in which users have a degree of flexibility or freedom in scheduling the tasks.

AGILE (AGILE METHODS, SEE ALSO: PRODUCT OWNER, SCRUM MASTER): software development technologies defined by the Agile manifesto (2001), as opposed to so-called traditional methodologies (V-model). Agile methods are interative, encouraging regular and successive deliveries of versions and promoting the acceptance of functional changes during the project. Such projects largely involve the client or users meaning that their requests are met with greater responsiveness. Agile methods include: RAD (rapid application development, appeared in 1991), the Scrum method (1995) and XP Extreme Programming (1999). While they avoid the "tunnel effect" (with users left without information during the long code-writing phase), which is often criticized in traditional methodologies, they can nonetheless reach their limits when used for complex applications requiring a global understanding of the data and their relationships.

ASSISTANCE TO PROJECT OWNERS (FRENCH AMO OR AMOA: ASSISTANCE À MAÎTRISE D'OUVRAGE): a third party (consulting firm, Digital Services Company, freelancer, etc.) that assists the project owner in defining its needs (drawing up the specifications and managing the call for tenders) and monitoring its relationship with the project owner during the project, its acceptance and during the guarantee period.

PREDICTIVE ANALYSIS (PREDICTIVE MAINTENANCE): a set of techniques using statistics and data from different sources to make predictions. Predictive analysis is used in many fields and the well-known application of predictive analysis is the assessment of client risk (FICO Score). In IT maintenance, it is used to predict potential workstation or server breakdowns (reference editor: Nexthink) by cross-referencing different parameters. Logs and various other data concerning the servers (capacity utilization rates, etc.) can also be cross-referenced to predict that an incident will occur on a piece of equipment or during processing.

ANALYTICS (DATA ANALYTICS): data analysis. This ranges from feeding data lakes or data warehouses to formatting information ("data visualization"), including the creation of multidimensional cubes. This also includes datamining and analytical processing applications. Data analysis covers the older concepts of "BI" (Business Intelligence).

ANSSI: French National Agency for the Security of Information Systems. Created in 2009, the ANSSI provides expertise and technical assistance to government agencies and companies, with a reinforced mission for operators of vital importance (OVI). It provides a monitoring, detection, alert and reaction service to computer attacks. Main qualifications awarded by Anssi: Pams, Passi, Pdis, Pris and SecNumCloud.

ANTIVIRUS (EPP, EDR, XDR): program that identifies, neutralizes and eliminates malware on workstations and servers. The classic EPP (Endpoint Protection Platform) antiviruses, of which the best known publishers are: Microsoft Defender, Sophos, McAfee, Symantec, Kaspersky) rely on signature databases that must be updated very frequently. More recent, EDR solutions (End Point Detection & Response, leading editor: Crowdstrike) are complements to traditional antivirus programs. Indeed, they do not have the ability to detect certain new attacks, such as cryptolockers that can be executed without a file (the signature databases are inoperative in this case). EDR detects abnormal behavior (attempted data encryption, registry access, script execution with privileges, etc.) and stops the suspected process. EDR is a tricky tool to install and maintain. When used incorrectly, it can block legitimate computer programs ("false positives"). The number of successful computer attacks, which have triggered long downtimes of information systems, is continuously growing. See also: "XDR".

API (APPLICATION PROGRAMMING INTERFACE): interface that allows software programs to communicate with each other.

TECHNICAL ASSISTANCE (OR TIME SPENT): a form of service that provides the skills of a consultant at a defined daily rate for a specified period of time. Service companies only have an obligation to provide resources. The project management is then carried out by the customer, who doesn't need to share the specifications of the overall project with his service provider beforehand.

BIG DATA: data sets (sources: (Web, mobile telephone systems, cameras, sensors, transactions, etc.) that are so voluminous and so varied (relational, semi-structured, unstructured, etc.) and which are generated at such high speed that they become difficult to store in traditional or conventional databases and also difficult to analyze ("Big Analytics"). Researchers must therefore develop new tools to store (NoSQL, Google MapReduce, massively parallel databases such as Hadoop, etc.) and to analyze and extract value from these low density information data (algorithmic, inferential statistics, analytics, search, etc.). Big Data has applications in major scientific or public programs, digital marketing (definition of customer profiles by analyzing transactions, Facebook photos, websites visited, etc.) and financial markets (information processing for trading robots).

BLOCKCHAIN: technology for storing and transmitting information without a central control unit. Technically, it is a secure and distributed database. It is shared by its different users, without intermediaries, which allows everyone to check the validity of the chain. The information sent by users is checked and grouped at regular time intervals into blocks, thus forming a chain. The entire chain is secured by cryptography. This system of securing transactions is used on a large scale for, for example, crypto-currency transactions.

BPM (BUSINESS PROCESS MANAGEMENT, WORKFLOW MANAGEMENT): set of methods and application tools that automate and optimize a company's processes, whether internal or involving third parties. One talks of integrating business processes into BPM. A classic case is customer management: their orders, online payments, file validation, management of their potential claims, etc. While being independent of operational data and applications, BPM draws on the latter, often using EAI (see below). Leading BPM vendors are: Tibco Software, Pega, IBM Websphere Process Server, Webmethods (Software AG) and Weblogic (Oracle).

BPO (BUSINESS PROCESS OUTSOURCING): outsourcing, no longer just of IT, but more globally of a function or a process: accounting, payroll, subscriber management, etc.

BI (BUSINESS INTELLIGENCE): see Analytics.

CASE MANAGEMENT: see ACM.

SERVICE CENTER: structure providing digital services (application maintenance, operation, service desk, etc.) for several customers and located in the premises of the ESN provider. This term is sometimes used more broadly and can refer to non-pooled services performed by a team working for a single client. In all cases, the Service Centers are specialized and follow well-defined processes.

CERT (COMPUTER EMERGENCY RESPONSE TEAM): team managing the response to a security incident or cyberattack: processing, lockdown and management of the return to normal and, also, prevention by disseminating information about the precautions to be taken to minimize the risks.

CHATBOT (CONVERSATIONAL AGENT): program that dialogs with a user while trying to reproduce a human conversation. The Internet user is asked to formulate his/her request in natural language, which will be treated during a friendly exchange. The chatbot is the natural extension of resolution trees, which are practical to treat simple, high-frequency incidents, effectively and efficiently as well as “self-help” solutions. Nevertheless, its development requires “extensive” configuration of the entire knowledge base. Equipped with integrated AI engines, “conversational agents” will be increasingly used to resolve certain incidents or respond to requests without human intervention.

CI/CD, CI/CD PIPELINE: see Continuous Integration / Continuous Delivery.

CLOUD COMPUTING: provision of shared Infrastructure as a Service (IaaS), shared Platforms as a Service (PaaS) and Software as a Service (SaaS) “on demand” on private or public networks. For infrastructures, we distinguish between private and public clouds (e.g. Microsoft Azure, Amazon Web Services, Google Cloud Platform, etc.).
There are several forms of private cloud: dedicated (customer-specific infrastructure) or shared (infrastructure shared between several companies). A private cloud architecture will be deemed “complete” if services can be ordered on a self-service basis (provisioning), if the resources are then automatically allocated and, finally, if the services are billed on a per-use basis. Basically, in a typical private cloud, users pay their consumption “on demand” based on a number of server instances (CPU and memory), terabytes of storage and bandwidth. The IaaS and managed services provider provides a secure infrastructure consisting of shared and redundant virtual servers, storage capacity, networks and backups (including backup sites).
Public clouds, on the other hand, are more highly automated and feature rich (especially PaaS services including, for example, managed databases). To take full advantage of these public clouds, applications must be compatible (i.e., either created in the latest environments or rewritten). Moving to the public cloud requires a preliminary application migration project. Billing is based on the actual use of resources (“pay as you go”), which requires vigilance on the part of user clients (see FinOps below). Knowing the location of sensitive data is a security issue. This is why the major public cloud providers, most of them American, have set up data centers in Europe.
Most of the time, companies use both SaaS (see below) and several private and/or public clouds. This is known as a hybrid cloud and/or multi-cloud. More globally, with the cloud, companies offload the management of all or part of their IT infrastructure (IaaS, Paas) and/or application management (SaaS).
The use of DevOps combined with the widespread use of the cloud profoundly changes how IT departments operate (processes, skills, etc.).

HYBRID CLOUD, MULTI-CLOUD: The hybrid cloud is the implementation of different types of clouds (public or private), linked by coordination functions. The multi-cloud refers to the deployment of multiple clouds of the same type (public or private), from different vendors.

CLOUD MANAGEMENT PLATFORM: a suite of integrated software tools that enable an organization to monitor and manage its cloud infrastructures (public, private, hybrid or multi-cloud).

CMDB (CONFIGURATION MANAGEMENT DATA BASE): a database describing the components of an information system and the relationships between them. It is used to track changes made in their configuration. CMDB is a fundamental component of an IT facility's ITIL architecture. A good description of an information system in production isn't natural: documentation by process, choice of level of detail, redundancy, updates, history management, etc.

CMM (CAPABILITY MATURITY MODEL): a repository of best practices in software development and maintenance. The model helps to optimize processes and evaluate the business on a maturity scale with five levels (initial, repeatable, defined, managed and optimized). Since 2006, this is the latest version of the model - the CMMI (I: Integration) – that has been used.

CMS (CONTENT MANAGEMENT SYSTEM): design and dynamic updating of websites or multimedia applications with the following functionalities: ability for several people to work on the same document at the same time, workflow with the possibility of putting document content online, separation of form and content management, content structuring (documents, blogs, forums, using FAQs, etc.), ranking users according to a hierarchy and attributing roles and permissions (anonymous user, administrator, contributor, etc.). CMSs should not be confused with Electronic Document Management (EDM - see hereafter) systems, which can be used to manage content within a Company.

COLLABORATIVE – COLLABORATIVE PLATFORM: set of tools and applications making it possible to work collaboratively in a department, a company or a Group and between people located on different sites. This tool set includes communication features (rapid peer-to-peer messaging, audio-conferencing, etc.), collaboration (file sharing with common updates), project follow-up, process or workflow management tools, rights management (directory with photo gallery), a knowledge base, a discussion forum (with rating system for articles), multi-user instant messaging, an archiving system, personal pages, etc.

SOFTWARE CONTAINER: virtual envelope that groups an application and all the elements it needs to function: source code, execution environment, libraries, tools and files. In practice, software containers are used to test applications under development. The advantage is to have an autonomous and separate environment to perform all the necessary checks before deployment. A virtual machine (or VM) has its own operating system (OS), while the container uses the OS of the computer on which it is installed. For containers, the reference vendors are Docker and Kubernetes, an open-source system for automating the deployment, scaling and management of containerized applications.

CONTINUOUS INTEGRATION/CONTINUOUS DELIVERY (CI/CD): in applications development, a set of techniques that can be used to produce new versions very frequently (e.g. new functions or patches), while achieving such low volumes of bugs that a bug tracker or a simple bug inventory monitor are no longer useful. These techniques mainly concern the following areas: environments, data, test strategy, test automation and deployment pipeline management. In practice, CI/CD is always associated with DevOps, the Cloud and containers.

COOKIE (SEE ALSO: DMP): information sent by an Internet server to the Internet user's terminal, which the terminal then returns each time the said server is queried. Non-executables, cookies are the equivalent of a small text file. These "tracers" contain personal information that can be exploited by data marketers (see DMP). They can be used for authentication or to store specific information about the user, such as his preferences or the contents of an electronic shopping cart.

CRM (CUSTOMER RELATIONSHIP MANAGEMENT): all Company functions aimed at winning and retaining clients. This term, which has replaced the term "front office", groups together the management of client or prospect characteristics, marketing operations, sales support, customer service management and the call center. The CRM software packages on the market perform one or more of these functions.

CYBERSECURITY: see IT Security For specialists, cybersecurity has a larger dimension than IT security or information security since it includes cyber defense. In this document, the two terms are used indifferently.

DATA: family of applications that processes continuous, massive flows of data in real time, in order to analyze and exploit them. Leading publishers: Kafka, Spark, Flink, Nifi. These technologies have given rise to new job profiles: data steward, data engineer, data analyst, data scientist.

DATA CENTERS (OR HOSTING CENTERS): processing centers that provide gains for companies by pooling equipment, software and services. Today, consolidated and virtualized servers (in high-density racks) and shared storage and backup systems (all of which consume a lot of electrical energy in terms of operation and cooling) are driving the sustained growth in the hosting market, since conventional machine rooms are no longer suited to the volumes processed. The latest generation of data centers provide the same computing power but consume less and less electricity (better PUEs, see below).

DEVOPS: movement to align the "Dev" (application development) and "Ops" (operations) teams around common objectives. DevOps should not be confused with Agile or Scrum development methodologies (see above and below), even though they are often implemented together. In concrete terms, DevOps is based on implementing software "tool chains" from design to production: project management (Jira), IDE integrated development environments (Eclipse or Visual Studio), "software forge" with partial automation of tests (SonarQube), source and compilation management (GitHub, Jenkins, Nexus, etc.), continuous deployment (XL Deploy or Octopus Deploy), automatic allocation of infrastructure resources (Ansible, CMP, API, etc.), self-service release (Python), etc. allowing very close successive releases. The teams that work in DevOps mode are small (about 10 people called "pizza teams" or "feature teams") and bring together new profiles: product owners, scrum masters, Dev engineers, Ops engineers. They manage their application or their group of applications without load splitting and theoretically without needing the support of other teams. Recent participants, generally Internet pure players, have implemented this new organization. It is harder to implement in environments with large legacy applications, of varying age and technology.

DIGITAL (DIGITAL TRANSFORMATION): use of new IT technologies (Agile methods, DevOps, cloud computing, mobility, broadband networks, collaborative tools, social networks and blogs, connected devices, big data, analytics, security, Artificial Intelligence, predictive analysis, blockchain, etc.) that are potentially disruptive (causing profound upheavals) to create or rethink products and services, implement new business models (platforms, disintermediation, substitution, etc.), improve operational efficiency or set up new modes of internal collaboration. Digital transformation was initially the prerogative of marketing, sales and customer relations departments. The aim was to develop new uses and rethink the "customer journey" by integrating digital technology. It requires a mixed business and technological approach, with an upstream innovation phase (creative thinking workshops, serious games, design thinking, etc.). It applies to all sectors but above all the transportation, hotel and leisure, banking and insurance sectors (with the arrival of Fintech companies). It profoundly changes the relationship between the IT department and the other business lines in a Company. Digital transformation now concerns more generally the optimization of operational and support processes as well as the internal development of a digital and collaborative culture.

DIGITAL WORKPLACE (DIGITAL WORK ENVIRONMENT): a set of technologies enabling professionals to access all of their work information and communicate and collaborate on their projects and activities. The digital work environment typically integrates a search engine, document management and enterprise social networking. It follows the intranet by allowing flexible work in time and space.

DMP (DATA MANAGEMENT PLATFORM, SEE ALSO COOKIE): platform managing the marketing data of prospects and clients, especially cookies and their historization. DMPs are often enriched with external data (male/female, age, consumption habits, income/SPC, client or not, etc.) and interfaced with the CRM. DMPs can be used to create more precise client/prospect segments and to enrich media strategies. The leading vendors are: BlueKai (Oracle) and Krux (Salesforce).

EAI (ENTERPRISE APPLICATION INTERFACE OR ENTERPRISE APPLICATION INTEGRATION), ESB (ENTERPRISE SERVICE BUS): computer tools allowing communication between applications that were not designed to work together. For example, production management with inventory management, CRM with ERP (see definitions above and below) or even between two ERP systems within the same Group. Although often achievable through an exchange of files, but without the benefit of real time, the integration of two applications requires the development of interfaces (called connectors) between their corresponding APIs (see definition above). Different API standardization projects have been conducted, but without much success. As such, specific EAI solutions were developed which manage a limited number of software packages on the market. The Enterprise Service Bus (ESB) is now considered to be the new generation of Enterprise Application Integration (EAI), based on standards such as XML, Java Message Service (JMS) or web services. The major difference with EAI is that ESB offers a completely distributed integration through the use of service containers. These "mini-servers" contain the integration logic and can be placed at different locations on the network.

ECM (ENTERPRISE CONTENT MANAGEMENT): see Content Management below.

EDGE COMPUTING: a form of IT architecture that prioritizes data processing on devices at the edge of the network (sensors, smartphones, tablets, laptops, etc.). Rather than transferring data generated by connected devices to the cloud or a data center, it involves processing data directly where it is created, thus reducing bandwidth requirements.

ERP (ENTERPRISE RESOURCE PLANNING): software package grouping together all the management applications required by a company, whether "horizontal" applications (accounting, human resources management, etc.) or "vertical" applications (production management, stock management, etc.). There are generalist ERPs and others, specialized by industry. Unlike a package of specific software, ERPs have a single common infrastructure for all functionalities (shared databases, exchange mechanisms between modules) and generally include cooperation tools (groupware, workflow). Traditionally dealing with back office operations, these structuring tools have gradually been equipped with decision-making and front office functions. They have also become more open; their APIs (see above) have been made public by their publishers, so as to facilitate interfacing with more specialized software packages using, for example, EAI tools (see definition above). SAP is the most widely used ERP in large companies.

ESB (ENTERPRISE SERVICE BUS): see EAI above.

DSC: Digital Services Company. Acronym equivalent to IT services company.

ETL (EXTRACT AND TRANSLATION LANGUAGE): software tools that extract information from production databases and load them into another database (usually a "data warehouse"). The leading vendors are: Informatica, DataStage and Talend.

FINOPS (CONTRACTION OF THE WORDS "FINANCE" AND "OPERATIONS"): an approach aimed at controlling its consumption in the public cloud, while also optimizing it by making the right trade-offs: cost, speed (or agility) and quality. In practical terms, this is all about understanding bill from the cloud provider, the cost drivers, and then taking action, for example, by turning off certain resources at night or actively disconnecting other unused resources.

FIORI (SAP FIORI): user interface allowing in particular to use SAP indifferently on a mobile, a tablet or a screen.

FRONT END, BACK END, FULL STACK (WEB DEVELOPMENT): the "front end" refers to the elements of a site that you see on the screen and with which you can interact from a browser. The developer uses Photoshop templates and code in HTML, CSS, JavaScript and jQuery. These programing languages are interpreted by the browser, which displays a "visual" result. These include in particular fonts, drop-down menus, buttons, transitions, sliders, contact forms, etc. The "back end" developer administers the application and the database. It generally uses languages like PHP, Ruby, Python and frameworks like Symfony. More and more developers have both back end and front end skills. We call them "full stack" developers.

EDM (ELECTRONIC DOCUMENT MANAGEMENT): computerized system for acquiring, filing, storing and archiving digital documents. Electronic publishing of incoming documents (mail received) or outgoing documents (bank statements or invoices) are typical examples of EDM applications. See also: Content Management.

ECM (ENTERPRISE CONTENT MANAGEMENT): electronic management of unstructured information (letters, contracts, invoices, emails, HTML web files, photos, audio files, films, etc.), as opposed to information already structured in databases. ECM covers in particular:
- managing and formatting the content published on large Internet sites or extranet sites (WCM: Web Content Management),
- Electronic Document Management applications (production EDM and office EDM).

The leading content management publishers are: EMC Documentum, IBM FileNet, Microsoft Sharepoint, Alfresco, OpenText, Vignette, Broadvision.

GREEN IT: all IT methods, software, hardware and processes that reduce the impact of IT on the environment (energy saving, waste management, etc.), as well as the use of computers and new technologies to reduce a Company's ecological footprint in general (teleworking, etc.).

HACKATHON: an event where developer teams are invited to compete to build a prototype IT application. In the form of a timed competition, the winners are chosen by a jury. The term is a portmanteau made from the words hack and marathon. The reference to the marathon is warranted by the uninterrupted work of developers, often over two days, usually over a weekend.

HOSTING PROVIDERS: company equipped to host computer servers. An end client or a service provider (DSC specializing in managed server-based services) generally rents premises ("private cages" or "co-rental") from a hosting provider who provides the following basic services: air-conditioning/cooling, fire safety, reliable power supply by generators and secure physical access. The tenant installs its own hardware: racks, memory servers, Internet "pipes" and dedicated lines. The managed services professional performs its recurring services on a 24/7 basis: supervision and control of applications (backup, security management, recovery and reboot after an incident, etc.). Today, often for security reasons, only a few large organizations have kept their own data centers. It is difficult to stay on top of the best practices because of the rapid evolution of technologies specific to data centers themselves. The leading hosting providers operating in France are: Interxion, Equinix, Telehouse, Data4, etc.

AI (ARTIFICIAL INTELLIGENCE): sets of programs, imitating human intelligence, based on the creation and application of algorithms executed in a dynamic computing environment. These programs are self-learning and self-enhancing, based on initial data sets that are often very large. For IT departments, it is hoped AI could be used for the automating support professions (chatbots) and the predictive analysis of IT operations data (logs, etc.). Other tangible applications of AI will progressively affect the entire Information System of a company. Many software publishers will be integrating AI modules into their products.

GENERATIVE AI: a type of artificial intelligence (AI) capable of generating text, images or lines of code in response to prompts or questions. Generative AI belongs to the field of LLM (Large Language Models). Generative AI is trained on very large text datasets (trillions of words). A good prompt can significantly improve the quality and relevance of AI responses, while a poorly formulated prompt can lead to inaccurate or irrelevant answers. Generative AI seems to have potential applications in almost every field: chatbots (ChatGPT), predictive analysis, use of natural language in place of input masks for ERP and other enterprise applications, help in creating presentations, market research, financial analysis, contract drafting, meeting management assistance, retro-documentation, rewriting code with a change of language , and more. It is also raises various ethical and technical issues (bias, etc.) that are as great as the expectations and hopes it brings.

IAAS: Infrastructure as a Service. See Cloud computing.

INFRASTRUCTURE AS CODE (IAC): automatic allocation of server resources within a data center, solely using definition files ("programmatically") rather than through manual configuration. This is also referred to as infrastructure automation or "automatic provisioning." The scope of the information system (IS) covered by these techniques can range from the hardware itself ("bare metal") to virtual machines and their resources. Cloud computing has made this approach possible. The "automatic provisioning" of servers contributes significantly to reducing application integration and deployment times, by eliminating load-splitting and a manual operation.

IOT (INTERNET OF THINGS): see connected devices.

ISO (ISO 9000, ISO 27000, ETC.): standards based on the implementation of a quality management system and its continuous improvement loops (planning, implementation of improvements and monitoring). ISO 9000 (and ISO 9001) deals with quality in general while ISO 27000 (and ISO 27001) deals with Information System security. ISO 14000 refers to the environment, ISO 26000 relates to Corporate Social Responsibility, ISO 20000 relates to shared service centers, ISO 31000 relates to risk management in general.

ITIL (INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY): repository of best practices for managing IT production services. It provides an organizational structure for optimizing these services in terms of quality and costs, based on ten key management processes (configuration management, incident management, etc.). ITIL has become a de facto standard.

ITSM (IT SERVICE MANAGEMENT): processes and tools for managing the activity of an IT team: system and network alert escalations, incident and user request management, problem management, change management and configuration management (see CMDB).

KM (KNOWLEDGE MANAGEMENT): a set of systems and tools for formalizing processes or know-how. Knowledge Management addresses the limitations of EDM (see definition above). Indeed, Electronic Document Management (EDM) systems only provide digital and indexed information that was previously only available in analog form (paper, voice, image, etc.). However, there is still a vast volume of knowledge (present on the Web or in diverse locations, for example in users' personal documents) that can never be completely organized into a hierarchy or made accessible in a database. With this in mind, Knowledge Management describes all the tools and techniques used to address the weaknesses of indexing systems, for example by extracting the meaning of a document (cognitive engineering), scanning all the content (full search or full text) or interpreting the user's question. These tools also draw on the technologies of expert systems technologies and case-based reasoning.

MACHINE LEARNING (ML): field of study of artificial intelligence that aims to give the computer the ability to "learn" from data (i.e., to improve its ability to solve tasks, without being explicitly programmed for each one).

PRIME CONTRACTOR: the project manager with a guaranteed-performance commitment. Depending on the case, this may be the client or one or more IT service providers to whom they have delegated this function.

PROJECT OWNER: an entity or decision-maker who has a new custom application developed, has all or part of a software package integrated or, more generally, orders an IT project.

DIGITAL MARKETING (DIGITAL MARKETING, WEB MARKETING): marketing actions that use digital channels (computers, tablets, mobile phones, etc.). Digital marketing seeks to reach consumers in a personalized, targeted and interactive way: listening to needs via blogs and social networks, emails and newsletters, e-commerce sites, sites with online quotes and orders, "mobile first" sites, purchases of keywords, videos and banners, retargeting, affiliation, presence on social networks, blogs and also customer support. The term is used in contrast to traditional offline marketing: market research, press advertising, radio, television, loyalty programs and after-sales management. Digital marketing budgets are steadily increasing, at the expense of traditional marketing budgets.

MDM (MOBILE DEVICE MANAGEMENT): management of a fleet of mobile devices (smartphones, tablets): operating system update and remote control, inventory, backup and restore, remote blocking and erasure (in case of theft), performance monitoring (battery status...), roaming management, etc. Leading vendors: Airwatch, Good Technology.

SOCIAL MEDIA: all websites that use Internet users to create content and communicate: publishing tools (Wikipedia, etc.), discussion tools (Skype, Teams, Zoom, Slack, etc.), social contact networks (Facebook, Twitter, LinkedIn, etc.) and social content networks (YouTube, Pinterest, etc.). This term is gradually replacing the term "Web 2.0".

META-DIRECTORY: directory that groups together all users of all of a Company's applications, with their passwords associated with their authorized applications. This centralized and cross-functional view facilitates the management of secure access to company data (e.g., arrivals and departures of employees).

MIDDLEWARE: all technical software layers between the OS (Operating System) and user applications.

MOBILITY: set of tools and techniques allowing mobile users to remotely access, update or synchronize with their company's applications (business, messaging, schedules, etc.) and data. A mobility project includes in particular the choice of the terminal (thus the corresponding Operating System), a synchronization server, an Internet service provider, their integration and, where necessary, specific developments. Security is always an important component in such environments.

MOOC (MASSIVE OPEN ONLINE COURSE): an open, distance-learning course. Teachers and students communicate solely via the Internet. Often, this involves very large numbers of participants.

MULTI-CHANNEL (MULTI-CHANNEL MARKETING): simultaneous or alternating use of different contact channels used for sales relations between a vendor and a client or prospect. Although multi-channel marketing and its development have been made possible by the widespread use of the Internet, multi-channel is not just about taking into account digital channels. The historical means of contact (retail outlets, telephone, mail, etc.) should also be integrated. Multi-channel also facilitates adaptation of customers' needs and behaviors. It can also help reduce contact and sales costs. Conversely, the development of multi-channel communication imposes constraints on companies: consistency of messages and the sales policy from one channel to another, historical records of contacts and actions on the different channels, etc. Increasingly, the customer is "multi-channel" during the same process: the information search phase on the Internet and then the purchase phase in the store, for example. Multi-channel has become so widespread that it no longer allows companies to differentiate themselves. Differentiation is now linked to the ability to manage multi-channel contact better than competitors. The goal therefore is to move from using multiple channels simultaneously, to a better overall organization of these channels (i.e., a cross-channel strategy).

NEARSHORE: see Offshore.

CONNECTED DEVICES (IOT, INTERNET OF THINGS): devices equipped with communication capabilities, which communicates via wireless devices. These can be mobile phones, sensors, terminals or everyday accessories. The Internet of Things (also known as IoT) and the processing of captured data are undergoing strong development.

OFFSHORE: an operation that involves providing services in geographical areas where the workforce is abundant, increasingly well trained and where labor costs are lower than in the client's home country. Offshoring may involve outsourcing or not. The term "nearshore" is used when the country is less than three hours by plane from France (e.g., North Africa). Certain services are more likely to be offshored than others (in the case of France, 60% of offshoring operations concern Third-Party Application Maintenance). In a contract which includes offshoring, part of the local service (sometimes called "front office") remains in France. The part that may be offshored is called "back office".

PAAS (PLATFORM AS A SERVICE): See also "cloud computing". The provision of the infrastructure and all the components of a software platform (operating system, databases, middleware) required to install and run an application (e.g.: Java, .Net platforms, etc.). The customer no longer manages the platform, his role being limited to the development of applications that he will "deposit" on the platform of his PaaS provider.

BCP (BUSINESS CONTINUITY PLAN): its objective is to continue operations without service downtime and ensure information is available, regardless of the problems encountered. The BCP is a subset of the DRP. (see below).

PGI (PROGICIEL DE GESTION INTÉGRÉ): see ERP.

PLM (PRODUCT LIFECYCLE MANAGEMENT): product life-cycle management groups together all information concerning the design, manufacture, repair and recycling of a complex product (airplane, car, subassembly, etc.) by including all the information within a single technical repository.

PMO (PROJECT MANAGEMENT OFFICE): the team that defines and maintains the reference system of processes linked to project management. The PMO's aim is to standardize and industrialize projects. It is in charge of their management, documentation and evaluation. It often draws on the Prince 2 methodology. By extension, it is said that the person who manages a project has a “PMO profile”.

PPM (PROJECT PORTFOLIO MANAGEMENT): processes and software tools used to manage a portfolio of projects.

DRP (DISASTER RECOVERY PLAN) OR RTO, RPO: plan to ensure that, in the event of a major or significant crisis in an information system, the infrastructure is reconstructed and applications are restarted. This plan should switch over to a backup system capable of taking over the IT systems in case of an accident. The plan includes several levels of recovery depending on the needs according to two parameters: the maximum recovery time following a major incident (RTO - Recovery Time Objective) and the maximum period of data loss (RPO - Recovery Point Objective - expressed in seconds, minutes, hours or days). When an incident happens, the analysis time leading to the decision to launch the DRP or not is always a difficult step as it requires decision makers to be present and it must take place within very short timeframes (this duration is included in the overall RTO).

PRODUCT OWNER (PO): digital project manager, expert in the Agile methodology (Scrum). He is the main person responsible for the design or definition of a “product” (i.e., an application) by acting as an interface between the “clients” (future users), the various departments involved in the company and the designers and developers. In the Scrum methodological framework, the team is organized around three main roles: developers, Product Owner and Scrum Master (see hereafter).

PROXY: a server regulating the security policy for incoming and outgoing traffic to and from the Internet at the application layers (FTP/file transfer, http/Internet browsing, SMTP/mail), unlike the firewall which acts on the lower layers. For example, it is the proxy that denies access to certain websites that have nothing to do with the business activity. Often it is integrated in the firewall.

PUE (POWER USAGE EFFECTIVENESS): ratio between the energy consumption (in kWh) of servers connected to the power supply and the total electricity consumption of a data center (power used by servers added to that of all the different equipment, primarily related to cooling and power backup). In conventional computer rooms, the PUE is well above 2. In the latest generation of data centers (Tier3+) at full load, the target PUE can achieve levels below 1.5.

QUALIOPI: unified quality certification, launched by the Ministry of Labor in November 2019, for professional training organizations.

RESPONSIVE DESIGN: design characteristic of an application whose presentations (text, images and resolution) automatically adapt to the terminal using the application (computer, tablet or smartphone). As such, responsive-design applications (HTML5 and CSS3 standards) are developed once and can be used on all types of terminals.

ROBOTIC PROCESS AUTOMATION (RPA): automation of processes via robots (emulating a keyboard exchange) to eliminate tedious tasks, streamline operations and reduce costs. It aims to enable employees to focus on higher value-added work. The RPA scenarios range from the simple creation of an automatic response to an email to the deployment of multiple robots, each programmed to automate tasks in a process. This automation is at work in various fields: financial services, healthcare, distribution, human resources, etc.

SAAS (SOFTWARE AS A SERVICE): model for selling software based on pay-as-you-go leasing (instead of selling a license at a fixed price for a long or perpetual period, to be installed on your own hardware). The software is usually accessible over the Internet and hosted by the publisher, often in Cloud computing mode, which is why the two terms are frequently associated. This service has several benefits for businesses: reduced delivery times and reduced integration, deployment and update costs.

SAP BC (SAP BASE COMPONENT): SAP Enterprise Resource Planning module for system administration, especially to manage the database (and system performance in terms of processor and memory) and to manage user security and authorizations.

SAP SRM (SAP SUPPLIER RELATIONSHIP MANAGEMENT): SAP Enterprise Resource Planning module that manages the entire supplier relationship: expenditure analysis, procurement, operational contracts, purchase requisitions, billing and supplier management.

SCM (SUPPLY CHAIN MANAGEMENT): SCM tools aim to reduce stocks and delivery times while improving customer service levels. In operational terms, the tools reconcile information concerning demand and production capacity in order to establish production and delivery plans. At the tactical level, they rely on statistical techniques – typically datamining tools – to optimize procurement, smooth production and determine the best delivery paths. At the strategic level, the tools perform simulations to determine the best possible layout for the manufacturing plants and distribution network, and even establish the product renewal rate depending on the target market. The main challenge is to automatically transfer this data into the management system (ERP).

SCRUM MASTER: the scrum master guarantees the methodological framework in a digital project using Agile methods (Scrum). His/her role is not to lead the team, but rather to guide it in applying Scrum. He/she is the interface between the team and the outside world, protecting the team from any element that might disrupt its operation and concentration. His/her assignment is to train members in Agile practices and to lead the different “rituals”: daily mixes, planning pokers, retrospectives, etc. In the Scrum method, the team is organized around three main roles: the developers, the Product Owner and the Scrum Master.

SDDC (SOFTWARE DESIGNED DATA CENTER), SDN, SDS: after the virtualization of servers into virtual machines (or VMs), it has become possible to automatically allocate, at the software level, the other IT resources of the data center, and notably the network: “Software Defined Network” (SDN) and the storage: “Software Defined Storage” (SDS). Released in 2011-2012, the Software Designed Data Center (SDDC) marketing concept corresponds to the promise of programmatically allocating all of a data center's components. The SDDC model, however, faces many challenges: whether or not to include legacy, the treatment of non-virtual resources, and the difficulties of interoperability across multiple technology vendors.

SECNUMCLOUD: a label defined by Anssi to distinguish French cloud hosting operators that comply with demanding security practices and, in addition, are committed to locating data mandatorily in the European Union. A cloud infrastructure that has obtained this label is called a “trusted cloud” or “sovereign cloud”. At the end of 2023, less than half a dozen players (including the group's specialized entity) are qualified in this way. A similar certification process has been launched within the European Union.

TRANSACTION SECURITY: a transaction is deemed certified if the parties are identified, if its integrity is guaranteed and finally if the transaction cannot be repudiated by either party (certification = identification + integrity + non-repudiation). In addition to certification, the transaction's confidentiality must be guaranteed.

IT SECURITY (OR CYBERSECURITY): the increasing openness of information systems (connected to the Internet, inter-connected between sites, open to third-party clients and suppliers, remotely accessible from mobile devices or from home, etc.) has led to the development of IT security to the point where it has become a specialty in its own right. Its scope coves: incoming data protection solutions (antivirus, firewalls, proxy-cache, intrusion detection and content inspection), access protection (VPN encryption, administration, access authorization) and security administration (including detecting vulnerabilities). The associated services are primarily: consulting, architecture, auditing, monitoring and administration. This specialty is part of the broader issue of global security, which also includes: emergency plans, rules concerning behavior and procedures, the physical security of premises and access points, etc.

SELF-CARE (OR SELF-HELP): encouraged by companies, in an effort to reduce costs, self-care provides users with a set of automated tools that allow them to troubleshoot directly, without calling on a support technician. The Interactive Voice Response (IVR) servers deployed over recent years initiated this trend. They have structural limits and, often considered “irritating”, they have only developed a partial response to user issues. The use of self-care Internet tools has radically changed the situation. These tools require a lot of upstream work to identify the most frequently asked questions and to standardize answers and they dynamically adapt depending on the way they are used. Companies can use this concept on a broader level (e.g., in relationships with their customers).

SERVICE DESK (OR HELP-DESK): a structure (telephone, IT and humans) designed to receive and handle all requests from information system users and either resolve them or pass them on to other support groups for resolution (“escalation”). The use of such specialized structures has become widespread: complete tracing of activity, professional response times, high rate of immediate handling (potentially handled by remote control), thorough investigation of the cause of incidents and then implementation of action plans to sustainably reduce the number of incidents. In the service desk business, the professional phone manner and tone of support technicians is as important as their technical knowledge. For multi-country organizations, the service desk is typically multilingual and in 24/7 mode. Increasingly, they use “self-help” and “chatbot” and AI technologies.

MANAGED SERVICES/OUTSOURCING: this service involves entrusting the management of all or part of a Company's IT system to a DSC who takes over the operational responsibility and upgrades the system within the framework of a fixed-price contract over several years. The outsourcing service provider undertakes to meet specific service levels (through a Service Level Agreement – SLA). The contract may or may not include the transfer of employees, hardware or software. The service provider's teams are generally based both on the intervention sites and in the outsourcer's shared service centers. A reversibility clause allows the client to recover its IT system/processes or to entrust them to another specialist. The term “outsourcing” is often misused to describe simple outsourcing, without its contractual exactitude. Today, the term "managed services" has replaced the term "outsourcing".

WEB SERVICES: an application function that can launch a program. A web service has no user interface. Any website producer can incorporate these services into its online applications (tourist guide, travel booking, e-commerce, etc.) in a way that is transparent to the user. Vendors have widely adopted this technology (XML, WSDL interface) due to its simplicity. However, on the down side, the standards have yet to be finalized.

SINGLE SIGN-ON (SSO): physical key, associated with a unique password at login. It replaces all passwords attached to each application.

SMACS (SOCIAL, MOBILITY, ANALYTICS, CLOUD & SECURITY) OR SMAC: a term covering all digital services related to digital transformation, representing a fast-growing digital services submarket.

SOA (SERVICE ORIENTED ARCHITECTURE): flexible application architecture made up of independent but interconnected application services. This is a concept and not a technology. The framework is well-suited to web services, as well as other technologies. The central idea of SOA is to add or change services requested by operational management very quickly. While the objective is attractive, the implementation methods for SOA architectures are still widely debated; even if we identify applications that can serve multiple processes, what degree of granularity should we choose? How do you define the interfaces? How do you develop new applications as services while taking the existing application base into account?

SOC (SECURITY OPERATIONS CENTER): Operational security center that monitors the information system to protect it from cyberattacks. It monitors IT security as a whole, from network layers to the software installed on the workstations, in all countries. It collects information from the security components and analyzes them to detect potential anomalies. SOCs have become widespread in major organizations and their scopes of surveillance are steadily expanding.

PROPRIETARY SYSTEMS: computers whose hardware and operating system (OS) are developed and distributed by a single manufacturer. The term is used in contrast to “open” operating systems (Microsoft, Android, Linux, Unix, etc.) that are independent of manufacturers.

INTRUSION TEST (PENTEST): penetrating an IT infrastructure using various attack techniques in order to test defects or vulnerabilities. Intrusion tests are done with client approval and on a scope that has been agreed upon beforehand; a report is made concerning the results. Any vulnerability is corrected by implementing new security measures.

THREAT INTELLIGENCE (OR CYBER THREAT INTELLIGENCE): information about potential adversaries who may launch cyberattacks, outside the information IT system, in order to develop a portrait of potential attackers or to identify attacks in preparation. In contrast, the SOC (see above) is intended to monitor the interior and perimeter of the information system, to ensure that it is watertight (control of all its access doors).

TMA (THIRD PARTY APPLICATION MAINTENANCE): maintenance (for corrective and evolutionary purposes) and update of the computer applications ensured by a third party service company.

UX/UI (USER EXPERIENCE, USER INTERFACE): a concept that states that the analysis of the functions of a human-machine interface (UI) must take into account the subjective and affective dimension of the user whose "experience" must be pleasant, smooth, intuitive and not strictly functional. UX/UI appeared in the 1990s.

VDI (VIRTUAL DESKTOP INFRASTRUCTURE): system that separates the user's desktop environment from the physical machine used to access it, so that they only have access to a screen terminal while the workstations are managed on virtual machines in a datacenter (usually a private cloud). The advantages of VDI are that it facilitates desktop management and deployment costs are very low. However, VDI is more dependent on the central data center (where all the workstations are managed) and the reliability of the network. VDI can be an effective solution for organizations with many remote locations with just a few workstations (bank branches, etc.).

SERVER VIRTUALIZATION: Software layer that simulates a physical machine and its components, from an applications point of view. Virtualization is often associated with consolidation projects. It aims to increase the average usage rate of IT resources by having several virtual servers on the same physical machine.

WORKLOAD: in computing, the amount of processing the computer must do at any given time. It is the product of the unit workload carried out by one or more servers for a given processing (real time or batch) by the number of users connected simultaneously, and having launched this processing. A real-time application, even a complex one, does not generate a large "workload" if the number of simultaneous users remains low (development or test machines for example).

XDR (EXTENDED DETECTION AND RESPONSE): in cybersecurity, state-of-the-art systems for automatic data collection and correlation across multiple security layers: email, desktop, server, cloud workload and network. These enable faster detection of threats, as well as improved investigation and response times during security analysis. Endpoint Detection and Response (EDR), which is installed on workstations and shuts down the workstation when it has detected abnormal activity on it, is part of the XDR family.

XML (EXTENSIBLE MARKUP LANGUAGE): a powerful meta-language for describing unstructured data and document modeling; it has become a de facto standard among publishers. XML is more advanced and comprehensive than the HTML Internet page description standard.

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