2022 Financial Report (FREE TRANSLATION OF THE ORIGINAL REPORT IN FRENCH)

SWORD

UPGRADE YOUR BUSINESS

mazars

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To the Shareholders of
SWORD GROUP S.E.
Société Européenne

R.C.S. Luxembourg B 168.244

2-4, rue d'Arlon
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AUDITOR'S REPORT RELATED TO THE AGREEED UPON PROCEDURES PERFORMED ON THE TRANSLATED CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY FINANCIAL STATEMENTS

We have performed the procedures agreed with you and enumerated below with respect to the translated consolidated financial statements prepared under IFRS as adopted by the European Union and statutory financial statements prepared in accordance with Luxembourg legal and regulatory requirements of Sword Group S.E. as at 31 December 2022, set forth in the accompanying schedules.

Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the translated consolidated financial statements prepared under IFRS as adopted by the European Union and statutory financial statements prepared in accordance with Luxembourg legal and regulatory requirements for the year ended 31 December 2022 and are summarized as follows:

1. We obtained and read the free translation from French to English of the consolidated financial statements prepared under IFRS as adopted by European Union and the statutory financial statements prepared in accordance with Luxembourg legal and regulatory requirements, and we identified the discrepancies which could be misleading for the users of these financial statements.

2. We suggested a wording deemed more appropriate in the circumstances.

3. We checked the final translation based on our comments.

We report our findings below:

With respect to item 1, 2 and 3 we find the Sword Group 2022 Financial Report to be consistent with the original French version.

We remind you, in accordance with our engagement terms, that in case of any discrepancy which may be noted between the English translation and the French original version, only the French original version shall be considered the legal binding document on which our audit opinions have been signed.

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Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the translated consolidated financial statements prepared under IFRS as adopted by the European Union and statutory financial statements prepared in accordance with Luxembourg legal and regulatory requirements for the year ended 31 December 2022. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

Luxembourg, 12 June 2023

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 Luxembourg

DocuSigned by:

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Olivier BIREN
Réviseur d'entreprises agréé

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MESSAGE FROM THE CHAIRMAN

MESSAGE FROM THE CHAIRMAN

Our Group is resilient enough to adapt to the various challenges we currently face, thanks to:

- our dynamism and organic growth;
- our historical profitability.

We are operating this year with the same model and the same teams as in previous years, taking advantage of the embedded growth of all our clients.

In addition, we already have new business opportunities in new countries and complementary markets.

Our talent will be the focus of our daily attention, and many initiatives will be explored to enable us to excel over the next three years.

We reaffirm our full confidence in our employees, clients, partners and investors, and will continue to grow for the benefit of all these stakeholders.

Jacques Mottard
Chairman and Founder of Sword Group

01 ABOUT THE GROUP

1 ABOUT THE GROUP

1.1 The Group and its activities as at 31 December 2022

Sword Group is a world-leading IT and digital transformation partner that helps streamline its clients' businesses, improve quality and reduce costs.

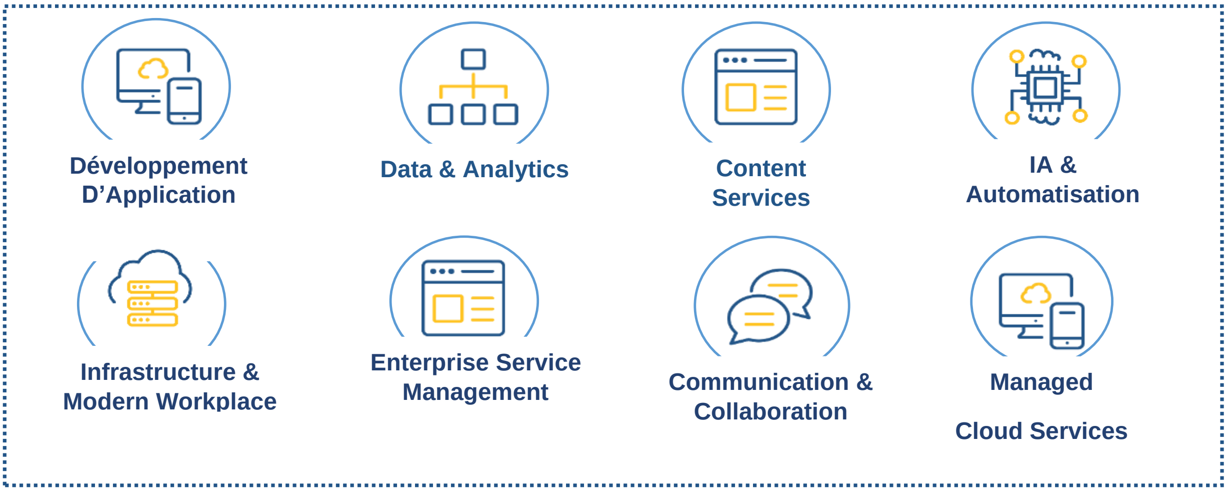
One of the key factors in Sword's success is the local service it fosters with its clients.
Sword provides its clients with high-value-added know-how, a high production capacity and an optimised economic approach.

To meet its clients' strategic challenges and their need both to make changes to their technological environments and to update their business processes, Sword is divided into specialist competence centres (Business Units).

As at 31 December 2022, Sword Group employed over 2,700 people and had a consolidated revenue of €272.3 million.

1.1.1 Services business

Creating value through technology and innovations



Services: Sword advises companies on implementing innovative solutions, technically develops and integrates these solutions, and accelerates internal and external digital transformation programmes.

1.1.2 Software Components business

Adding value through innovative software solutions. The revenue from this business is included in the Services division as it is not yet significant enough in terms of volume.

- Sword Aequos | Set of SharePoint web parts for any person or company wanting to create a flexible and customisable data viewing and search experience.
- Sword Phusion | Software to model, capture and manage information in a single, accessible and reliable form.
- Sword Tell | CAD software for watch manufacturers.
- Sword Venue | Digital collaborative solution with a toolbox to help you plan and deliver your venues better and faster while reducing risk and cost.

1.1.3 Markets

Sword's range of services is designed for the local and international operations of all key accounts and public institutions. With its technological and methodological expertise, Sword is a market leader in a number of countries.

Sword has developed unique expertise in the following targeted markets:

In these markets Sword is a day-to-day partner for these organisations across its entire range of services, providing them with support for their IT strategy and key operational issues. As a rule of thumb, Sword operates in highly regulated markets where knowledge of current regulations is critical.

1.2 History

2000 November — **Creation of the Sword company**

2002 March — **Initial public offering of the company**
Paris Stock Exchange

2002 April — **Acquisition of Text Solution**
Company specialised in electronic document management (EDM)

2002 December — **Acquisition de la société Cronos Technologies**
IT services company specialised mainly in projects related to the European Community

2003 December — **Acquisition of Zen and Art**
IT Services Company which manly targets major New York accounts in the fields of banking and insurance

2003 December — **Acquisition of FI System Belgium**
Company dedicated to the content of the communication of large Organizations and European Institutions

2004 May — **Acquisition of Global Software Services Ltd.**
Company based in Great Britain for its commercial activities and in India in Chennai (Madras) for its production activities.

2004 July — **Acquisition of CIMAGE**
Company specialised in the field of content management

2005 July — **Acquisition of LINKVEST**
Company specialised in ECM and EAI

2005 September — **Disposal of the logistics consulting business**

2005 November — **Acquisition of INTECH**
Company designing, building and delivering software for the English insurance market

2006 January — **Disposal of Sword Nord**
Sword Group sells its subsidiary Sword Nord to its management

Acquisition of Nextech
Company specialised in Content Management

2006 September — **Disposal of Sword Consulting France**

2006 November — **Acquisition of Real Time Engineering**
Company specialised in Content Management

2007 July — **Acquisition of APAK**
Company specialised in GRC

2007 December — **New acquisitions and Sale of Business Unit**

2008 March — **Acquisition of Graham Technology**

2009 September — **Sale of Sword Business Technology Solutions**

2009 November — **Acquisition of AgencyPort**
Leading company in the insurance industry

2011 May — **Disposal of two product lines FircoSoft & the Insurance product line**

2011 November — **Sale of Sword CTSpace**

2012 April — **Transfer of the head office**

2012 July — **Sale of Ciboodle**

2013 August — **Acquisition of Active Risk**
Company specialised in Enterprise Risk Management Software

2014 January — **Acquisition of Charteris**
Company specialized in the development of Microsoft applications

2015 October — **Acquisiton of AAA**
Company specialized in project outsourcing IT

2016 December — **Disposal of Simalaya**

2018 April — **Disposal of the company based in Bâle**

2018 October — **Disposal of Apak**

2019 January — **Acquisition of Magique Gallileo**
Company specialised in GRC

2019 November — **Acquisition of DataCo**
Company specialized in data management

2020 March — **Acquisition of Codify**
Company specialized in database software

2020 August — **Acquisition of Lemonade Software Development**
Company specialized in software related to digital strategy

2020 September — **Sale of French Activities**
Sale to Argos Wityu and to Local Management

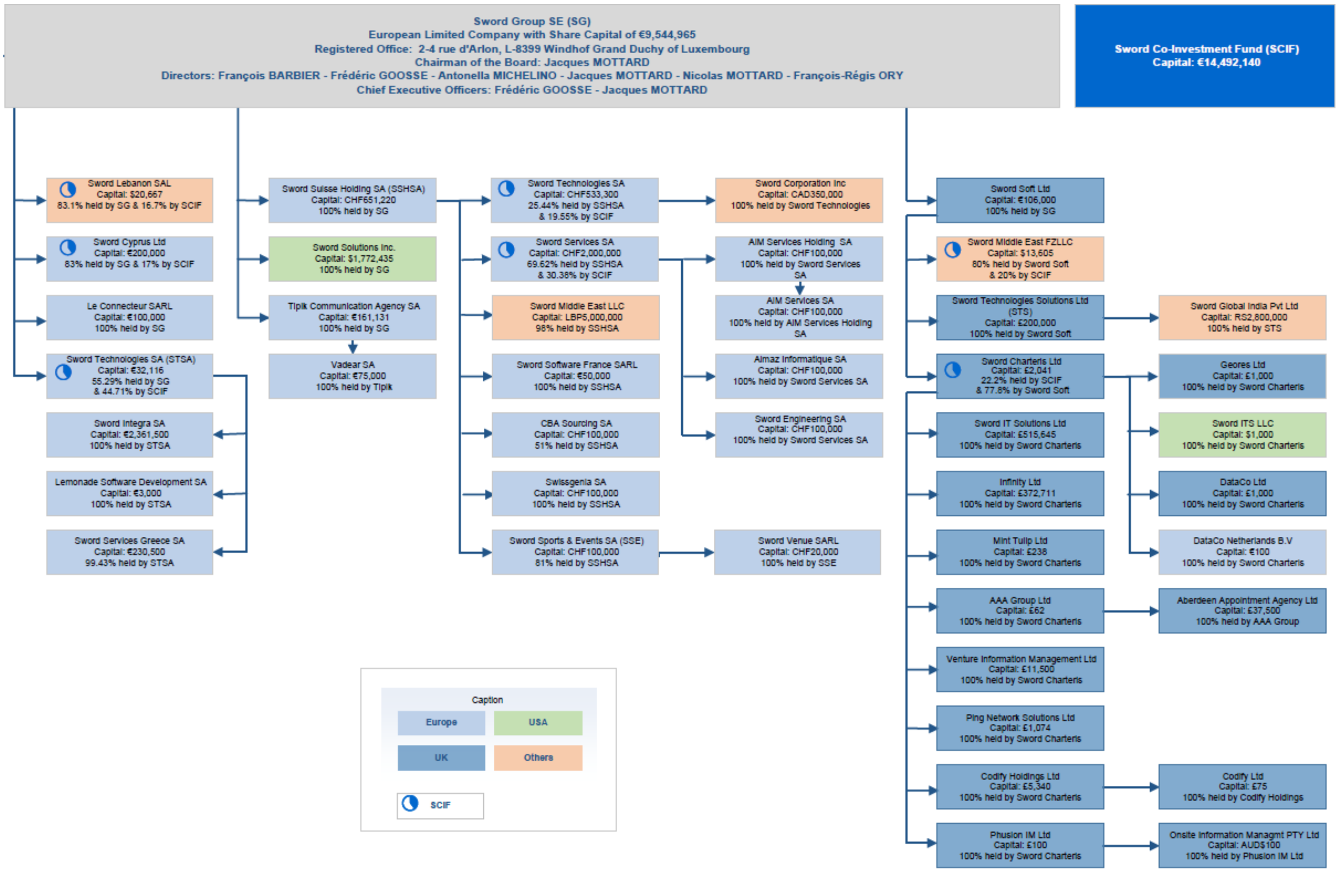
2021 July — **Acquisition of AiM in Switzerland**
Company sepcialised in the Cloud & Infrastructure, Mobility, Business Solutions & Data Intelligence.

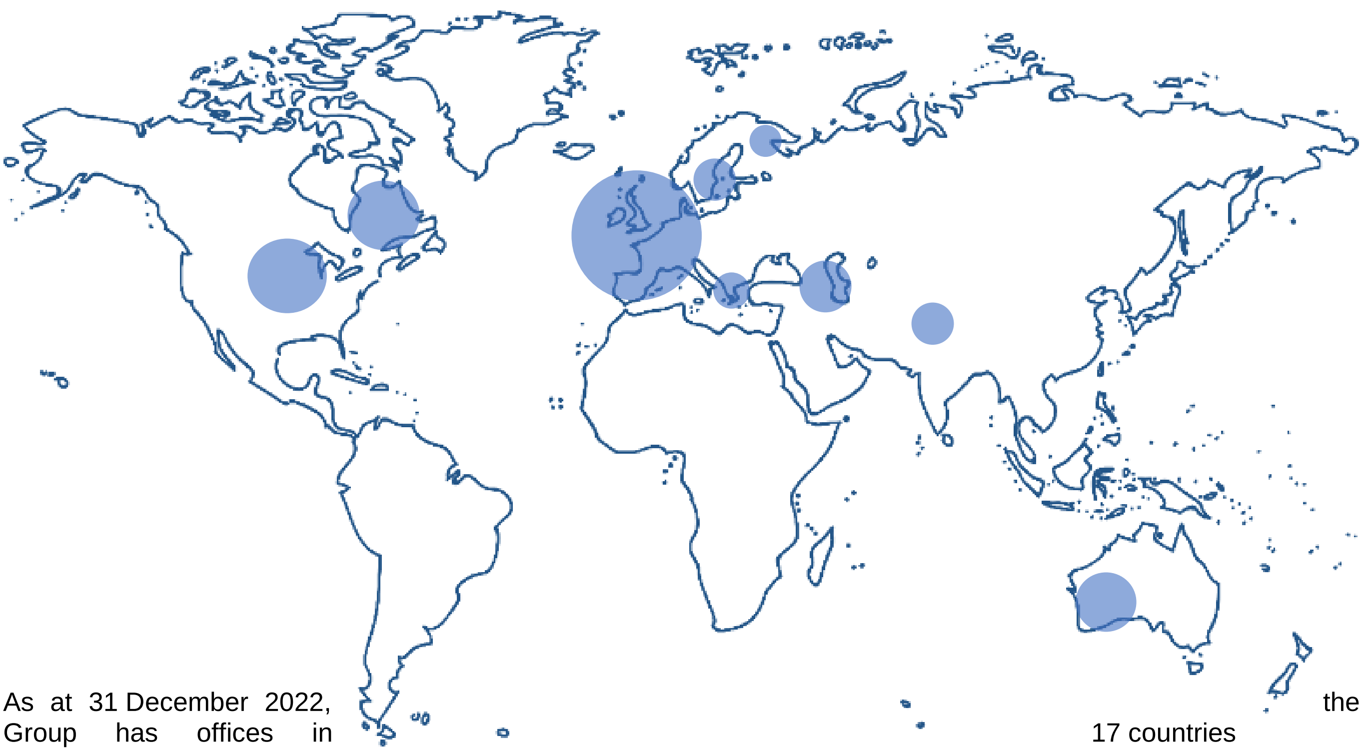
2022 March — **Acquisition of Ping Netword Solutions**
Systems integrator and managed services provider

April — **Sale of Sword GRC**

July — **Acquisition of Phusion IM**
Software for modelling, capturing and managing information

1.3 Group organisation chart as at 31 December 2022





As at 31 December 2022, the Group has offices in 17 countries (Australia, Belgium, Canada, Cyprus, England, France, Greece, India, Lebanon, Luxembourg, the Netherlands, Saudi Arabia, Scotland, Spain, Switzerland, the United Arab Emirates and the United States) and is working on projects in some 50 nations.

1.4 Key data and indicators 2022

A sustainable, growing, financially secure company listed on Euronext Paris.

International group founded in **2000**

1,000+ clients in more than **50** countries

3 offshore | nearshore support centres

2,700+ employees

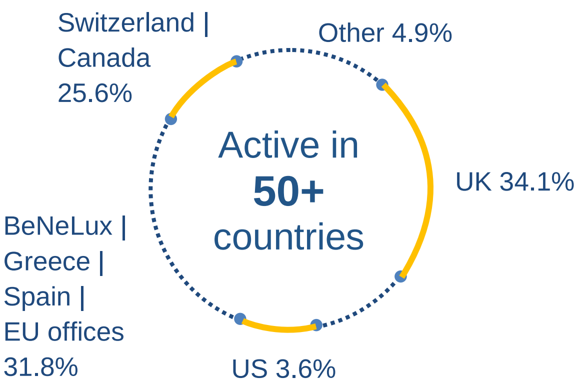
1.4.1 2022 | Performance

Performance 2022

€272.3m Consolidated revenue

€35.1m | 12.9% EBITDA

1.4.2 Breakdown of 2022 revenue | By country & by market



1.4.3 Consolidated financial statements | Condensed

In thousands of €	31/12/2022	31/12/2021	31/12/2020
Revenue	272,257	214,564	212,534
EBITDA	35,059	29,274	29,476
Profit for the year	109,778	17,874	53,397
Non-current assets	97,819	101,063	82,340
Cash and cash equivalents	57,138	55,295	105,842
Equity	101,544	94,328	135,942
Balance-sheet total	244,696	225,676	235,255

Consolidated revenue stood at €272.3 million in 2022 with profitability of 12.9% (EBITDA).

The backlog as at 31 December 2022 was 20.1 months of revenue vis-à-vis the budgeted revenue for 2023 on a like-for-like basis.

02 MANAGEMENT REPORT

2 MANAGEMENT REPORT

Sword Group has been making world-leading organisations more efficient and more profitable for over 20 years. Sword Group's culture, with its dynamic and diverse project teams, supports the Group's growth and the development of its staff. With a headcount of over 2,700 employees, the Group achieved consolidated revenue of €272.3 million and profitability (EBITDA margin) of 12.9% in 2022.

2.1 EBITDA

Consolidated EBITDA in 2022 was €35,059,000, equivalent to 12.9% of 2022 revenue.

2.2 Debt, cash flow and investments

The net cash position, excluding IFRS, corresponds to net cash adjusted for lease obligations and commitments related to share plans. It fell from €55.0 million as at 31 December 2021 to €38.7 million as at 31 December 2022. It stood at €50.0 million on 4 January 2023 following receipt of the additional payment for the sale of Sword GRC.

The cash flow generated by operating activities came to €14,731,000.

Gross investments for the year, both intangible (excluding goodwill, market shares and business capital) and tangible, stood at €6,025,000.

2.3 Acquisitions and disposals

The operations are detailed in the "Highlights" and "Subsequent events" sections of this report.

2.4 Provisioning policy

The level of provisions for risks and contingencies is due to Business Unit Directors' rigorous approach regarding the risks covered.

Provisions are recognised for these risks and contingencies on the basis of the best estimate of costs likely to be incurred. The total sum of provisions for risks and contingencies stood at €356,000 in the consolidated financial statements as at 31 December 2022.

2.5 Alternative performance indicators

The non-IFRS financial indicators presented in the annual report do not fall under a set of accounting standards or principles and must not be considered a substitute for the accounting aggregates presented in accordance with the IFRS standards. The non-IFRS financial indicators must be read in conjunction with the consolidated financial statements prepared in accordance with the IFRS standards. It is also possible that Sword Group's non-IFRS financial indicators will not be comparable with other non-IFRS data used by other companies.

Management use non-IFRS financial indicators, in addition to IFRS financial information, to assess their operating performance, evaluate their ability to generate cash flow, take strategic and operational decisions and plan and set their growth objectives. The Group believes that the non-IFRS financial indicators also provide investors and financial analysts with a relevant basis for assessing the Group's operational performance over time and comparing it with that of other companies in its sector, as well as for meeting its development needs.

The Group mainly uses two non-IFRS financial indicators, i.e. the organic growth rate and a measure of profitability calculated on the basis of the EBITDA.

Organic growth is defined as revenue growth on a like-for-like basis. Organic growth on a constant exchange-rate basis corresponds to revenue growth on a like-for-like basis and at constant exchange rates.

To measure revenue growth on a like-for-like basis, the Group takes as its starting point the consolidation scope at the end of the benchmark year (in this case 31 December 2022). Therefore, the consolidated revenue for the year under review (year N) and the previous year (year N-1) has been restated as follows:

- it includes revenue generated by entities acquired during year N prior to the date on which the Group took control;
- it does not include revenue generated for year N-1 and year N by companies sold during year N.

When reference is made to changes in revenue at constant exchange rates, the impact of exchange rates is eliminated by recalculating the revenue for year N-1 on the basis of exchange rates used for year N.

Organic growth can be used to assess the Group's ability to generate internal growth, in other words its ability to develop its business activities and create added value.

This report presents growth in revenue in terms of historical value before restatement, or on a like-for-like or constant exchange-rate basis.

Group profitability is defined as a gross margin rate by comparing EBITDA with revenue.

EBITDA corresponds to revenue less purchases, personnel expenses, other external charges, allocations to provisions and other current operating expenses, plus reversals of provisions and other current operating income, as presented in the consolidated income statement. In the income statement, reference is made to "Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items".

This profitability indicator has two objectives:

- to assess the Group's development in the medium term (excluding non-recurring costs);
- to assess the Group's capacity to generate cash flow arising from day-to-day operations (in other words, its self-financing capacity).

In addition to the indicators described above, the Group uses EBIT (see definition below) as a starting point for assessing free cash flow when it conducts goodwill impairment tests. A sensitivity analysis is conducted in the context of these tests. It aims to ensure fluctuations, within a reasonable range, in the scenarios used as a basis for estimated financial forecasts, including EBIT expressed as a percentage of revenue.

EBIT (listed as "Earnings before interest and taxes, excluding non-recurring items" in the consolidated income statement) is an aggregate similar to EBITDA, except that it provides an indication of the Group's operating margin after deducting depreciation charges, i.e. after taking account of its investment structure.

2.6 The Group's organisation

The Group is organised around the following senior management and administrative bodies:

- the Board of Directors, comprising six members;
- the Audit Committee, made up of two directors;
- the Remuneration Committee and Appointments, Governance, Ethics and Corporate Responsibility Committee (combined into a single committee), comprising one director;
- the Executive Management, comprising five directors;
- the Management Committee, consisting of the five CEOs and 11 operations directors.

The mission, composition and modus operandi of the senior management and administrative bodies are set out in the Governance section.

2.7 Strategy and outlook

Sword Group's strategy is essentially based on a policy of specialisation in digital technology for sectors such as local government, luxury goods, sport, European institutions, and the oil and gas industry. This strategy promotes organic rather than external growth.

The Group forecasts organic growth of 15% in 2023. This is the Group's minimum commitment.

The budgeted revenue for 2023 is €306 million with an EBITDA margin of 12%.

Acquisitions will remain an additional means of consolidating the Group's competitive position.
The Group's management does not rule out the possibility of micro-acquisitions, which can be integrated into other entities that already exist.

2.8 Highlights of the year 2022

- On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Limited, a company incorporated in the UK, for GBP 10,581,000 (equivalent to €12,838,000), excluding additional payments.
- Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskonnect for GBP 114,061,000 (equivalent to €136,565,000). The disposal covers the design and sale of governance, risk and compliance (GRC) software.
- On 1 July 2022, the Group signed an agreement to purchase 100% of Phusion IM Limited, a company incorporated in the UK, for GBP 1,809,000 (equivalent to €2,108,000), excluding additional payments.

2.9 Assessment of the value of goodwill and other intangible assets

An accountancy firm assisted the Group with goodwill impairment testing. The results of these tests are set out in Note 13.3 to the consolidated financial statements.

2.10 Approval of the consolidated financial statements

We invite you to approve the consolidated financial statements for the year ended 31 December 2022 (balance sheet, income statement and notes) as submitted to you and which reveal a total consolidated profit of €109,778,000 (of which the Group share is €109,755,000).

2.11 Proposed allocation of profit or loss

We invite you to approve the corporate accounts for the year ended 31 December 2022 (balance sheet, income statement and notes) as submitted to you and which reveal a profit of €75,474,613.77. We remind you that the sum of €401,683 appears under *"Reserve for own shares"* as the Company held 10,195 own shares as at 31 December 2022.

Profit for the year	€75,474,613.77
with the addition of the following items:	
Distributable profit or loss carried forward	€86,896,206.72
Share premium	€70,676,064.46
resulting in a distributable profit of:	**€233,046,884.95**
which is appropriated to the following items:	
Profit or loss carried forward	€216,820,444.45
Dividend payout	€16,226,440.50

The gross dividend per share proposed to the General Meeting of Shareholders on 28 April 2023 will be €1.70.

In terms of taxation, in accordance with Luxembourg law, dividend payouts are in principle subject to 15% withholding tax in Luxembourg.

However, this rate can be reduced under both tax treaties signed by Luxembourg and European law, depending on the tax residence of the beneficiary and under the beneficiary's own responsibility. In such a case, a refund request shall be sent to the Luxembourg tax authorities no later than 31 December of the year following the payment of the withholding tax, using Form 901bis (https://impotsdirects.public.lu/dam-assets/fr/formulaires/retenue_a_la_source/pluriannuel/901bis-FR-EN.pdf).

In addition, subject to tax treaties and the legislation applicable in the beneficiary's country of residence, any withholding tax in Luxembourg will be eligible for a tax credit of the same amount on the tax due in that country of residence.

For information purposes, in the view of the French authorities, conventional tax credits related to the proceeds of securities of European companies registered in a PEA share savings plan and whose issuers do not have their headquarters in France are not entitled to reimbursement, in so far as income from shares invested in the PEA is tax-exempt income (see e.g. BOI-RPPM-RCM-40-50-30-20150115 of 15 January 2015).

2.12 Share and shareholder structure

Shareholders are kindly informed that they are convened to an Ordinary and Extraordinary General Meeting to be held at the registered office on **28 April 2023 at 11 a.m.**, to deliberate on the following agenda:

Within the competence of the General Meeting taking decisions under the quorum and majority conditions required for Ordinary General Meetings:

- reading of the Board of Directors' management report, including the Group management report and the report on the conclusion of agreements covered by Article L.441-7 of the Law of 10 August 1915, as amended, relating to the year ended 31 December 2022;
- reading of the statutory auditor's report on the 2022 financial statements, the Group's consolidated financial statements and the performance of its duties;
- approval of the statutory financial statements accounts as at 31 December 2022;
- approval of the consolidated financial statements as at 31 December 2022;
- the allocation of profit or loss for the year ended 31 December 2022;
- discharge granted to the directors for their management duties for the year 2022;
- report on the remuneration awarded to directors in 2022;
- approval of the remuneration policy;
- approval of the directors' annual remuneration;
- discharge granted to the statutory auditor for its duties for the year 2022;
- appointment of the statutory auditor;
- the authority to complete formalities.

Within the competence of the General Meeting taking decisions under the quorum and majority conditions required for Extraordinary General Meetings:

- cancellation of the share repurchase programme adopted by the Extraordinary General Meeting of 28 April 2020 and granting of authorisation to the Board of Directors for the Company to repurchase its own shares under a new repurchase programme;
- granting of authorisation to the Board of Directors to reduce the share capital by cancelling shares acquired when the Company purchases its own shares;
- the authority to complete formalities.

Any shareholder, regardless of how many shares they hold, is entitled to participate in General Meetings or to be represented by proxy or vote by post there.

2.12.1 Share capital

The share capital is €9,544,965 (nine million five hundred and forty-four thousand nine hundred and sixty-five euros). It is divided into 9,544,965 shares worth €1 each, fully paid up and all of the same category. There were no reported cases of a threshold being crossed in 2022.

2.12.2 Breakdown of capital and control

Main shareholders

- Jacques Mottard holds (including Financière Sémaphore) 17.9% of voting rights.
- Eximium holds 20.0% of voting rights.
- The floating shareholders represent 60.4% of the capital.

Breakdown of capital as at year end (31 December 2022)

Shareholders	Number of shares	% of voting rights
Financière Sémaphore	1,706,280	17.9%
Eximium	1,910,866	20.0%
Own shares	10,195	0.1%
Employees and miscellaneous registered shareholders	150,234	1.6%
Floating stock	5,767,390	60.4%
Total	9,544,965	-

2.12.3 Dividends

The dividend per share proposed to the General Meeting of Shareholders on 28 April 2023 will be €1.70.

2.12.4 Stock-market performance

The Company's shares are listed on Euronext Paris (Compartment B). The number of shares in circulation is 9,534,770 (i.e. 9,544,965 shares less own shares as at 31 December 2022).
Information concerning the Company's share price is available on its website (https://www.sword-group.com/investors/).
Sword Group SE shares are part of the following main indices: ICB: 9530 Software & Computer Services, Indices CAC® Small, CAC® Mid & Small, CAC® All-Tradable, CAC® All-Share.

- Variations in the share price:

2022	**As at 31 January 2023**
Highest closing price: €53.50 (on 28 April 2022)	Highest closing price: €44.85 (on 27 January 2023)
Lowest closing price: €35.50 (on 16 June 2022)	Lowest closing price: €39.60 (on 2 January 2023)
Number of shares traded on the stock market: 7,559 (1)	Number of shares traded on the stock market: 3,528 (2)

(1) This is the average number of shares traded daily in 2022. A total of 1,942,698 shares were traded during the year.
(2) This is the average number of shares traded daily in January 2023. A total of 77,609 shares were traded during the month.

2.12.5 Repurchase of own shares

The Company may hold own shares under the share repurchase programme authorised by the Extraordinary General Meeting on 28 April 2020 up to a maximum overall investment equivalent to the value of 50% of the share capital on the date of the Board of Directors meeting, including shares bought back under purchase authorisations previously granted by the General Meeting of Shareholders, for a period of five (5) years. The objectives of share ownership under this programme are as follows:

- to provide stability for the market or liquidity as part of a liquidity contract entered into with a certified provider;
- to purchase for exchange or payment as part of external growth operations;
- to cancel shares up to a maximum of 5% of the Company's share capital, over a period of 24 months, subject to its Extraordinary General Meeting of Shareholders authorising its capital reduction.

The same Extraordinary General Meeting on 28 April 2020 authorised the Board of Directors to reduce the share capital by cancelling shares acquired through the Company's own share repurchase programme, up to a maximum of 5% of its share capital and for a period of five (5) years.

Information on the acquisition and sale by the Company of own shares as at 31 December 2022:

Number of shares held by the Company as at 31 December 2021	3,804
Number of shares purchased in 2022	75,639
Number of shares sold in 2022	69,248
Number of shares held by the Company as at 31 December 2022	10,195

The Company acquired own shares in accordance with the authorisation granted to the Board of Directors by the Extraordinary General Meeting of 28 April 2020 in its Resolution 17, in connection with the objectives agreed by that meeting.

Issuer's statement regarding transactions involving own shares as at 31 December 2022:

Percentage of capital held by the issuer either directly or indirectly	0.1%
Number of shares cancelled in the past 24 months	-
Number of portfolio shares held	10,195
Portfolio carrying amount as at 31 December 2022	€401,683
Portfolio market value as at 31 December 2022	€401,683

	Accumulated gross flows in 2022		**Outstanding positions as at 31 December 2022**	
Number of shares	Purchases 75,639	Sales 69,248	For purchase	For sale
Maximum average	-	-	-	-
Average price	€41.155	€42.452	-	-
Average exercise price	-	-	-	-
Amounts	€3,112,953	€2,939,756	-	-

Sword Group did not use derivatives in this share repurchase programme.

2.12.6 Information relating to transactions involving shares held by Sword Group senior executives

Sword Group's senior executives comply with all the legislative and regulatory provisions relating to transactions involving listed companies' shares.

Sword Group's senior executives regularly declare the transactions they perform involving Sword Group shares under the legal and regulatory provisions and refrain from any transactions involving Sword Group shares if they hold privileged information.

Sword Group alerts the CSSF to any offences relating to the holding of privileged information, using a list of insiders it has drawn up pursuant to the legal provisions. This gives the names of all those who hold privileged information and are employed by Sword Group and of third parties who have access to such information as part of their collaboration with the Group.

During the most recent year ended, the senior executives performed no transactions involving securities.

2.12.7 Authorisation of shares issued to the Board of Directors

None

2.12.8 Information on public takeover bids

Sword Group's share capital stands at €9,544,965, represented by 9,544,965 shares with a par value of one (1) euro, fully paid up.

There are no other classes or categories of shares or of options or pre-emptive rights entitling the holders to the issue of shares of another class which could have a dilutive effect on the number of shares issued.

All shares issued entitle the holders to the same rights both in terms of their right to vote at Ordinary and Extraordinary General Meetings and their right to the dividend voted on by shareholders at General Meetings.
Note that there are no restrictions on the transfer of securities or any special right of control by certain holders of these securities. No agreement has been made between shareholders that could lead to restrictions on the transfer of securities or on voting rights.

The members of Sword Group's Board of Directors are appointed by the General Meeting following nomination by the Board of Directors. The term of office of Sword Group Directors is four years. This term is renewable.

As a rule, their term of office expires at the end of the General Meeting choosing their replacement. The General Meeting may dismiss them at any time.
If a vacancy arises on the Board of Directors, this body may nominate somebody to fill this, in accordance with the rules governing such appointments. At the next General Meeting, the shareholders will make a final decision on the appointment, whose term of office will, as a rule, run for the rest of the term of the person being replaced.

2.13 Subsequent events

No significant events have occurred since the reporting date for the consolidated financial statements.

03 CORPORATE GOVERNANCE

3 CORPORATE GOVERNANCE *

**** This chapter is an integral part of the management report.***

3.1 Introduction

From 11 April 2012 onwards, the Board of Directors decided to adhere voluntarily to the X Principles of Corporate Governance of the Luxembourg Stock Exchange.

3.2 Corporate Governance Charter

The Governance Charter presents the governance framework for the activities of Sword Group, pursuant to the X Principles of Corporate Governance of the Luxembourg Stock Exchange which the Company has subscribed to. Its aim is to clarify the powers and responsibilities of the different entities that constitute the governance of Sword Group.

This Governance Charter complements the following existing documents:

- a management manual that sets out all of the Group's internal control procedures, a welcome manual for each employee, detailing his/her rights, obligations and position in the operations of Sword Group;
- a manual of the IFRS accounting principles, drafted by an independent firm;
- a technical handbook for each country that includes the quality standards in force (CMM, ISO);
- charters for each operational function (entity director, technical director, sales director, project manager, etc.);
- an Ethical Charter that was approved by Sword Group's Board of Directors on 20 December 2010;
- an Audit Committee Charter;
- an Anti-Bribery Policy;
- a Data Protection Policy;
- a Whistle-Blower Policy.

These documents are regularly subject to a review procedure initiated by the Board of Directors.

The charters and policies are available on the company's website.

3.3 Board of Directors

3.3.1 Mission

The Board of Directors is the body responsible for the management of Sword Group. It meets as many times as is necessary to perform its duties.

The Board of Directors is a collegiate body that is responsible for making all decisions and performing any actions that are necessary or useful for the achievement of the Company's corporate purpose, with the exception of powers explicitly reserved by law or the Memorandum and Articles of Association for the General Meeting of Shareholders.

The Board of Directors has the task of managing the general course of the organisation.
As such:

- it makes the Company's strategic decisions;
- it handles any issues that need to be addressed to ensure the proper operation of the Company;
- it checks and verifies all aspects that in its opinion require monitoring.

3.3.2 Composition

The Board of Directors has the following members:

| Jacques Mottard - Chairman
Term expires in: 2024

| François Barbier - Independent Director - member of the other two Committees
Term expires in: 2024

| François-Régis Ory - Independent Director - member of the other two Committees
Term expires in: 2024

| Frédéric Goosse - Director
Term expires in: 2024

| Nicolas Mottard - Director
Term expires in: 2024

| Antonella Michelino - Independent Director - Appointed in 2021
Term expires in: 2024

The members of the Board of Directors were chosen for their financial and/or technical expertise and their variety of professional backgrounds, ensuring that they bring a wealth of experience to the Board.

François Barbier, as CEO at 21 Centrale Partners, has acquired financial experience that is extremely useful for the Group, particularly in the context of our M&A strategy.

François-Régis Ory, as the founder of a listed company, has acquired through experience the operational expertise required by medium-sized companies that have to communicate with the market as listed entities.

Frédéric Goosse, as the founder of his own fiduciary company in Luxembourg, brings knowledge of the management of international holding companies in Luxembourg and the optimisation of financial flows between countries.

Nicolas Mottard, as an anaesthetist involved in several research programmes, brings to the Group essential know-how in the field of health.

Antonella Michelino, as CEO of Midas Wealth Management, brings to the Group expertise in the search for acquisition targets.

The Board of Directors' makeup reflects the Company's desire to have top-class directors on its Board with a varied skillset and proven expertise in a range of fields.

The Board has always taken care to maintain a balanced makeup, in particular by including independent directors.

The Memorandum and Articles of Association of Sword Group provide for a Board of Directors which shall have a minimum of three members and a maximum of eighteen members, except when the temporary derogation provided for mergers applies, appointed for a maximum duration of four years. The Board of Directors comprises competent and well-informed persons who have been chosen based on the specific features of the Company and its activities.

In accordance with the recommendations of the Luxembourg Stock Exchange, 50% of the Board of Directors are independent directors. Moreover, none of the above Directors have a significant holding in the share capital of the clients or suppliers of Sword Group, or in the subsidiaries of the latter.

No Directors are elected by the staff.

Given the size of the Company, and in order to improve the efficiency of the Board's decisions, the functions of the Chairman and Chief Executive Officer are not separate. For the same reasons, the appointment of a compliance officer is not considered necessary.

3.3.3 Other offices held by corporate officers in listed companies

No members of the Board of Directors held offices or positions in listed companies other than Sword Group during the year in question.

3.3.4 Modus operandi

The Board meets, carries out its functions and takes decisions in compliance with applicable statutory and regulatory provisions, as complemented by the provisions of Sword Group's Memorandum and Articles of Association. Currently there are Rules of Procedure, which are published on the Group's website, but no teller.

In the absence of a Works Council, no staff representative of the Company or the Group takes part on a regular basis in the Board of Directors' meetings.

The budgets are forwarded to the Board annually. The Board also receives the analytical accounts on a monthly basis and the general accounting every quarter.

The Board is informed ahead of time of any acquisition or activity creation project and more generally speaking of all significant financial operations.

For each meeting of the Board of Directors, the relevant documents in relation to the agenda are sent to the members prior to the meeting. The Directors may request, at any time of the year, any information that they consider useful on the way in which the Company goes about its business.

All the Directors, executive or otherwise, have the same access to the information and resources that are necessary for the performance of their duties.

Sword Group's Memorandum and Articles of Association provide for a Board of Directors' meeting to be held as often as the Company's interests require this.
The Group uses its law firm to send out the invitations to attend the Board meetings. The Board generally meets at the registered office and the law firm assists the Chairman with drafting the minutes.

Within the scope of the reinforcement of the governance rules, Sword Group has laid down a set of Rules of Procedure that specify how the Board of Directors works, set up a number of committees, and laid down obligations of the Directors within the scope of their functions, in particular their ethical obligations.

The Board of Directors completes its assessment every year. The Directors consider as at the reporting date that the current functioning of the Board of Directors enables them to perform their role properly.

In 2022, the Board met five times with an attendance rate of 93%.

3.3.5 Audit Committee

In specific domains, the Board of Directors may be assisted, in an advisory capacity, by specialist committees established by the Board, which also determines their role, responsibilities, composition and modus operandi.

As such, it established an Audit Committee.

The Audit Committee assists Sword Group's Board of Directors in its tasks of supervising the financial reporting, external audit and internal control processes.

The Audit Committee has the following members:

- François-Régis Ory, Chairman;
- François Barbier.

The Committee's main duties include:

- monitoring the process of preparing and processing accounting and financial information;
- reviewing the financial statements and off-balance-sheet commitments;
- monitoring the consistency and appropriateness of accounting policies;
- reviewing financial policy;
- assessing the effectiveness of the systems put in place by management to identify, assess, manage and control financial and non-financial risks;
- monitoring the operation of the internal control and risk management systems with respect to the preparation and processing of accounting and financial information;
- monitoring the operation of the internal control and risk management systems with respect to the prevention of bribery/corruption and influence peddling;
- periodically reviewing the various risk maps, bribery/corruption and influence-peddling risks, and social and environmental risks;
- monitoring Internal Audit and its work, particularly with regard to procedures for the preparation and processing of accounting, financial and non-financial information;
- monitoring the statutory audit of the statutory auditors;
- checking that the principle of the statutory auditors' independence is complied with;
- giving prior authorisation for services other than the certification of accounts;
- issuing a recommendation to the Board of Directors concerning the statutory auditors proposed for appointment by the General Meeting.

The issues dealt with by the Committee in 2022 included:

- the sale of the Group's software subsidiary;
- monitoring of the share deals;
- the acquisition of Ping Network Solutions in the UK;
- the improvement of control processes at Group level;
- the breakdown of goodwill;
- Pound | Euro financial hedging;
- risk management;
- cybersecurity;
- taxonomy;
- ESEF reporting.

3.3.6 Remuneration Committee and Appointments, Governance, Ethics and Corporate Responsibility Committee

These two committees are merged and have the following duties:

- recommending to the Board of Directors the remuneration policies applying to corporate officers;
- checking application of the rules used to calculate their variable remuneration;
- where applicable, making recommendations to the Executive Management about the remuneration of the Company's top executives;
- familiarising themselves with the salary policy and ensuring that it is compatible with the smooth running of the Company and the achievement of its objectives;
- preparing decisions on employee shareholding and employee savings plans;
- preparing the policy on allocation of performance shares;
- checking the quality of the information sent to shareholders concerning the remuneration, benefits and options granted to corporate officers as well as:
- the remuneration policy for the Company's senior executives;

- the remuneration of the Chairman as well as any commitment concerning him/her, the remuneration of the directors and, where applicable, of the other corporate officers;
- applications for directorships;
- the independence of directors;
- the evaluation of the Board of Directors and the functioning of corporate governance;
- that the values of the Group are respected, defended and promoted by its corporate officers, senior executives and employees;
- the existence of rules of good conduct in terms of competition and ethics, training, the whistle-blowing system and the disciplinary system relating to transparency, combating bribery/corruption, and the modernisation of business practice;
- the proper functioning of anti-bribery/corruption mechanisms and the suitability of the Company's Code of Conduct;
- the Company's policy on sustainable development and corporate responsibility and its consistency with Sword Group's commitments on human rights, international labour standards, the environment and the fight against corruption;
- the implementation of a non-discrimination and diversity policy.

The issues dealt with by the committees in 2022 included:
- the implementation of new share deals for each country;
- certification renewals for each division;
- the additional charters required by new regulations;
- the appointment of an independent expert to validate the Group's GDPR compliance;
- the 2022 review of the GDPR policy implemented within the Group and its application;
- monitoring of the ESG policy improvement plan;
- the Belgian subsidiary Tipik.

This committee comprises:

- Antonella Michelino.

3.3.7 Executive Management and Management Committee

The Board of Directors has delegated the day-to-day management of Sword Group and representation of the Company in this regard to two of its members, who make up the Executive Management.

Sword Group SE's Executive Management consists of Jacques Mottard, Managing Director, and Frédéric Goosse, Managing Director and Group CFO.

The Executive Management is assisted in its task by a Management Committee, also called the "extended Executive Management Committee" or "extended EMC".

The extended EMC has the following members:

Jacques Mottard	Chairman and Chief Executive Officer
Dave Bruce	CEO UK | US Services
Frédéric Goosse	Chief Financial Officer
Phil Norgate	CEO M&A
Dieter Rogiers	CEO BeNeLux | Greece | Spain | European Union
Greg Anderson	Director of Scotland Operations
Phil Brading	Director of Texas Operations
Kevin Moreton	Director of UK Operations
Craig Swinburn	Director of US Operations
Michel Bonvoisin	Director of Luxembourg Operations
Gregory Carayannis	Director of Greece Operations
Michael De Groeve	Director of Spain Operations
Gökçe Kalayci	Director of Tipik Operations
Nasser Hammoud	Director of Middle East | India Operations
Guillaume Mottard	COO Switzerland | Canada
Olivier Perrotey	COO Switzerland

The members of the EMC are selected for their managerial, technical and professional attributes and come from a range of countries and cultures, thereby providing the Group with a global outlook.

The EMC sets out the annual guidelines, monitors the business activity, defines the long-term strategy, sets the policy for the year, manages the annual budget and supervises the profit centres known as "Business Units".

Operational managers
They are responsible for all aspects of the subsidiaries they manage (administrative, accounting/finance, legal, operational), with a target of achieving above-market profitability and sustained double-digit growth over four years.

Share deals
The management teams and key personnel in Group entities have access to a plan whereby they invest, at their own risk, in the capital of their respective local company. Two exit scenarios are possible: either the shares are repurchased by the Group on one or more specified dates, or they are sold to an external party unrelated to the Group.

In the case of a share repurchase by the Group, the potential profit from an investment plan granted to minority investors generally corresponds to the cumulative surplus EBIT in the years covered by the plan over the EBIT in the year prior to the plan being granted. If the valuation is less than the initial plan valuation, the minority investor will incur a capital loss when the shares are repurchased by the Group.

3.3.8 Directors' remuneration and benefits

Corporate officers are paid according to their experience and their know-how specifically within the context of the European and global markets.

The remuneration package of the senior management and administrative bodies may be made up of various components such as the granting of shares, stock options or any other right to acquire shares, attendance fees, retirement and departure conditions and other specific benefits, whether they are granted by Sword Group or its subsidiaries or companies within the Group.

The fixed and variable parts of the remuneration package are determined in a balanced manner.
If stock options are granted, the Board of Directors sets performance conditions as well as the number of shares resulting from each option that must be kept by the corporate officer until the end of his or her term of office.

3.3.9 Remuneration policy

Remuneration of the Chairman of the Board of Directors | Jacques Mottard

Jacques Mottard's personal remuneration consists of directors' fees and benefits in kind received in his capacity as CEO Switzerland. This remuneration should remain constant until 2025.

Financière Sémaphore S.à r.l., a company controlled by Jacques Mottard, Managing Director and Chairman and CEO of the Company, is the active holding company of the Company. As such, a variable remuneration may be granted depending on the strategies proposed and successfully implemented through the said company.
It covers the costs of Financière Sémaphore S.à r.l., whose services go beyond the role of Jacques Mottard alone.

The presentation of 2022/2021 remuneration for corporate officers below is consistent with the relevant recommendation (No. 8) of the Principles of Corporate Governance of the Luxembourg Stock Exchange relating to information on remuneration for such officers.

Table 1: Table setting out the remuneration and options and shares allocated to each corporate officer

Jacques Mottard	**31/12/2022**	**31/12/2021**
Remuneration due for the year *(detailed in Table 2)*	€32,748 (1)	€32,653 (1)
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€32,748 (1)	€32,653 (1)

(1) Financière Sémaphore S.à r.l., a company controlled by Jacques Mottard, billed Sword Group SE for services and recharged miscellaneous fees for a total amount of:

- €850,000 (excl. tax) for the year ended 31 December 2022;
- €550,000 (excl. tax) for the year ended 31 December 2021.

Nicolas Mottard	**31/12/2022**	**31/12/2021**
Remuneration due for the year	€30,000	€25,000
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€30,000	€25,000

Frédéric Goosse	**31/12/2022**	**31/12/2021**
Remuneration due for the year	€30,000	€25,000
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€30,000	€25,000

François Barbier	**31/12/2022**	**31/12/2021**
Remuneration due for the year	€30,000	€25,000
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€30,000	€25,000

François-Régis Ory	31/12/2022	31/12/2021
Remuneration due for the year	€30,000	€25,000
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€30,000	€25,000

Antonietta Michelino	31/12/2022	31/12/2021
Remuneration due for the year	€30,000	€25,000
Valuation of the options allocated during the year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
TOTAL	€30,000	€25,000

Table 2: Table providing a detailed breakdown of the remuneration of the Chairman and CEO

Jacques Mottard	Amount as at 31/12/2022		Amount as at 31/12/2021	
	Due	Paid	Due	Paid
Fixed remuneration	€0	€0	€6,400	€6,400
Directors' fees	€15,031	€15,031	€14,090	€14,090
Benefits in kind	€17,717	€17,717	€12,163	€12,163
TOTAL	€32,748	€32,748	€32,653	€32,653

Table 2 is only completed for Jacques Mottard because for the other officers the sums are solely made up of directors' fees.

Table 3: Share subscription or purchase options allocated during the year to each corporate officer by the Company or by any Group company
Not applicable

Table 4: Share subscription or purchase options exercised during the year by each corporate officer
Not applicable

Table 5: Performance shares allocated to each corporate officer
Not applicable

Table 6: Performance shares that became available during the year for each corporate officer
Not applicable

Table 7: History of allocations of share subscription or purchase options
No share subscription or purchase option schemes are currently in place.

Table 8: Share subscription or purchase options allocated to the top 10 employees who are not corporate officers and options they have exercised
Not applicable

Table 9: Other information about the corporate officer

	Employment contract		Top-up retirement plan		Allowances or benefits due or likely to be due as a result of termination or a change of role		Allowances related to a non-compete clause	
Corporate officers	Yes	No	Yes	No	Yes	No	Yes	No
J. Mottard – Chairman & CEO		X		X		X		X

Directors' fees
The directors' fees paid to members of the Board of Directors totalled €150,000.

Financial risks
The Group adopts a cautious policy when it comes to managing its market risks, of which the main one is foreign-currency risk. The financial risks to which the Group is exposed and the policies to address them are detailed in Note 4 to the consolidated financial statements.

04 RISK FACTORS & CONTROLS

4 RISK FACTORS AND CONTROLS *

**** This chapter is an integral part of the management report.***

4.1 Risks related to the Group's activities

- **Talent attraction and retention**

Attracting and retaining talent are important issues for digital companies as their success depends on the quality of their employees. Digital services companies must therefore put in place effective strategies to attract and retain the best talent.

To attract talent, Sword offers a stimulating work environment, professional development opportunities, competitive salaries and attractive benefits.

To retain talent, Sword offers:
- stability thanks to long-term contracts;
- career development prospects;
- a pleasant working environment;
- a strong corporate culture that values employees and their contribution.

Sword invests in employee training and offers its staff professional development opportunities to help them improve their skills.

The company assigns this risk a moderate probability.
In the company's opinion, the criticality of this risk is significant.

- **Protection and security of client data**

The protection and security of client data are major concerns. Sword must ensure that its clients' data is protected against cyberattacks, data leaks and privacy breaches.

Sword has strong security policies in place to safeguard client data, including security protocols for networks, servers and applications, as well as access control measures. Sword trains and educates its employees in IT security, because many data breaches can be attributed to human error.

Sword is in compliance with data protection regulations, such as the European Union's General Data Protection Regulation (GDPR). Sword ensures that data is collected, stored and used in a lawful and transparent manner and that it is erased within the legal time limits.

Last but not least, Sword has put in place a crisis management plan for security incidents, in order to minimise the impact on its clients and organisation.

The company assigns this risk a high probability.
In the company's opinion, the criticality of this risk is mitigated by its own controls.

- **Service continuity and system security**

Sword ensures that its systems are available at all times, while guaranteeing data security and protection against cyberattacks.

To ensure the continuity of services, Sword has put in place business continuity plans (BCPs), setting out procedures for business recovery in the event of a major incident, such as a server failure, natural disaster or cyberattack. Sword performs regular tests to ensure that everything is operational to enable a swift resumption of business.

With regard to system security, Sword conducts regular security audits to identify vulnerabilities and implement solutions to address them. Penetration tests carried out in 2022 yielded a successful outcome.
The company has also taken out cybersecurity insurance with cover starting from 2023.

The company assigns this risk a low probability.
In the company's opinion, the criticality of this risk is significant.

- **Skills adaptation**

Sword invests in continuous training for its employees to help them develop new skills and keep up with the latest technological trends.

Sword adapts to changes in the market in line with technological trends and the needs of its clients. Sword remains agile and flexible to respond quickly to new client demands and needs.

The company assigns this risk a low probability.
In the company's opinion, the impact of this risk would be significant.

- **Project implementation**

Project management processes are effective and include planning, organising, coordinating and supervising the resources needed to execute the project. The checks carried out at all levels (project, BU (entity), country, Group) were positive. This process was reviewed by the Audit Committee.

The company assigns this risk a low probability.
In the company's opinion, the impact of this risk would be significant.

- **Loss of a major client**

Given the topology of Sword's clients, it is important to consider this risk.
However, the studies conducted found that the ordering parties within each client were different and independent of each other.
Furthermore, the perception of Sword's services among purchasing departments is currently excellent.
Therefore, no further study was conducted.

The company assigns this risk a low probability.
In the company's opinion, the impact of this risk would be low due to its large number of clients.

- **Activities in specific countries (Lebanon)**

The risk of internal or external conflict has always been managed without negative consequences by local teams. However, the Audit Committee was concerned by the risk of internet outage and requested a mitigation plan, which was duly completed.
Half of the teams are currently working from Cyprus and we believe that this risk is now under control.

The company assigns this risk a low probability.
In the company's opinion, the impact of this risk would be low.

- **Market and business developments**

Sword does business with very stable clients who tend to issue long-term purchase orders.
However, it is important to be aware of certain future developments in these markets, and especially the evolution of technologies.

Sword has identified:

- one market risk: oil and gas;
- one technological risk: artificial intelligence (AI).

As regards oil and gas, which is still a growing market, the Group has decided to invest in new markets in the UK, which are directly or indirectly linked to government decisions.
To date, many doors have opened up in the health, security and administration segments.

As regards the technological risk, we have decided to invest in a team of AI experts capable of integrating market tools.
It should be noted that its mission is not to develop products, given GAFA's current stranglehold on this market.

The company assigns this risk a high probability.
In the company's opinion, the impact of this risk in the short term would be nil.

4.2 Financial and non-financial risks

- **Revenue recognition**

Revenue recognition is an important issue because service contracts can be complex and spread over several years, which can make it difficult to recognise revenue appropriately.

To minimise the risk associated with revenue recognition, digital services companies must roll out robust accounting and billing processes that enable them to accurately track and document the terms of service contracts. Businesses should also adhere to applicable accounting standards, such as IFRS or US GAAP, to ensure that revenue is recognised appropriately.

Sword has therefore adapted its internal control tool, which has a successful track record going back many years, to the standards in force. The only issue identified relates to the Agile method, which is more difficult to analyse.

The company assigns this risk a low probability.
In the company's opinion, the impact of this risk would be moderate, given the number of projects.

- **Valuation of goodwill**

Goodwill valuation is a major risk for service businesses making acquisitions because it can have a significant impact on the carrying amount of assets acquired and the financial performance of the business.

Goodwill arises when the cost of acquiring a business exceeds the carrying amount of its identifiable assets and liabilities. The company must ascertain the value of the assets and liabilities acquired to determine the fair value of the acquired business and the amount of goodwill. If the fair value of the assets and liabilities acquired is incorrectly measured, this may result in an overvaluation or undervaluation of the assets of the acquiring company.

Sword has implemented impairment tests, in accordance with the rules in force, which value the assets at much higher amounts than those indicated in the accounts. Moreover, the small size of acquisitions in recent years reduces this risk in practice.

The company assigns this risk a low probability.
In the company's opinion, the criticality of this risk is moderate.

- **Legal and ethical compliance**

Legal and ethical compliance is underpinned by compliance with the regulations in force in the countries where the company operates and by adherence to ethical standards on data processing and privacy protection.

Sword has an Ethical Charter setting out its commitments to employees, clients, shareholders and partners as well as employees' commitments to Sword.

The company assigns this risk a low probability.
In the company's opinion, the criticality of this risk is moderate.

- **GDPR | Risks relating to the protection of personal data**

Through its client projects and internal management, Sword processes the personal data of EU residents as a data controller for its employees and on behalf of its clients and must therefore comply with the requirements of the EU's GDPR and other applicable local privacy regulations.

An audit undertaken by Sword in 2022 found that all those surveyed were engaged and interested in the issue of data protection.

The best practices observed in some entities are being rolled out in others. Key procedures and internal documentation relating to data protection have been put in place.

The creation of a single website (with some exceptions) serves to limit sources of non-compliance, the management of information about data subjects, individual rights requests and cookie management.

The audit found no malicious or suspicious behaviour during this diagnostic phase. No significant data breach issues were reported.

The company assigns this risk a very low probability.
In the company's opinion, the criticality of this risk is significant.

4.3 Insurance

The general insurance policy for civil liability and employees on assignment involves three main areas:

- operations/post-delivery/professional civil liability for all Group companies;
- liability for the senior executives and corporate officers of Sword Group and its subsidiaries;
- All Travel Risks for employees on assignment.

The general policy aims to cover risks having a significant financial impact and for which the Group is unable to insure itself financially.

The guarantee levels of the civil liability insurance contracts are as follows:

- Professional/post-delivery civil liability

Amount of guarantee | All types of damage: €15,000,000 per claim and per year of insurance

- Operations civil liability

Amount of guarantee | All types of damage: €10,000,000 per claim
Of which:

- Consequential material and non-material damage: €1,500,000 per claim
- Negligence: €1,500,000 per claim and per year of insurance
- Accidental damage to the environment: €1,500,000 per claim and per year of insurance
- Other non-material damage: €1,500,000 per claim and per year of insurance
- Property in care, custody and control: €2,500,000 per claim and per year of insurance
- Claims by neighbours and third parties/Rental risks: €2,000,000 per claim
- Criminal defence and recourse within the limit of the fees approved by the economic interest group CIVIS: €20,000 per claim and €50,000 per year of insurance

- Civil liability for senior executives and corporate officers

The civil liability insurance covers senior executives, de jure and de facto, including corporate officers of Sword Group and of the subsidiaries in which it is the majority shareholder. The purpose of this insurance is to cover, on behalf of the insured parties, the defence costs and financial consequences of legal action against them incurring their personal liability in their role, up to the policy limit: €15,000,000 per claim and per year of insurance.

All Travel Risks insurance covers employees on business trips.

Other insurance policies cover damage to Sword Group property.

An analysis of the main risks involved in the Group's activities and which can and must be insured reveals that these are normally covered by insurance contracts taken out with companies known to be solvent.

4.4 Internal control system

The Group's internal control procedures have the following aims:

- on the one hand, to ensure that the operational management, transactions and employees' conduct comply with the framework provided by the broad sweep of the Company's activities as defined by the corporate bodies and by the applicable laws and regulations and by the values, standards and internal rules of the Group;
- on the other hand, to check that the accounting, financial and management information provided to the management of the Company accurately reflects the Group's operations and financial position.

One of the objectives of the internal control system is to prevent and manage the risks resulting from the Company's business activity, as well as the risk of errors and fraud, in particular in accounting and finance.

The internal control procedures are decided on by Sword Group's Board of Directors and an internal control officer was appointed to monitor the different risks identified by the Board of Directors, in accordance with the X Principles of Corporate Governance of the Luxembourg Stock Exchange.
The internal control procedures focus on operational and financial activities. All the bodies involved in corporate governance participate in implementing internal control processes.

In terms of internal control procedures relating to the preparation of financial and accounting information, the Group has introduced the following measures:

- reporting financial information in the form of monthly analytical reporting to identify and analyse deviations from the objectives set by the Group's Finance Department;
- making the consolidation process more reliable and reducing the time frames for producing and communicating financial information, based on:
  - empowering the heads of subsidiaries;
  - using consolidation software to secure data processing and eliminate intra-group transactions;
  - introducing a module on IFRS 16, covering commitments related to buildings and vehicles;
  - an in-depth review by the Group's Finance Department;
- systematising the review of quarterly financial information by the Audit Committee and the Board of Directors.

While not providing a cast-iron guarantee that these risks will be completely eliminated, the internal country system aims to identify risks and prevent their occurrence.

4.5 Extraordinary events and litigation

To the Company's knowledge, apart from litigation that has been provided for in the accounts, there have not been any events or litigation that could lead to such a situation and could have or have had a significant impact on the results in the last 12 months, the financial position or the assets of Sword Group SE or any of its subsidiaries.

05 CORPORATE RESPONSIBILITY

5 CORPORATE RESPONSIBILITY *

**** This chapter is an integral part of the management report.***

"The Group's primary expertise is in developing the talents of its employees"

Jacques Mottard
Chairman and Founder of Sword Group

Each year, Sword Group renews its commitment to the United Nations Global Compact on social, societal and environmental responsibility.

5.1 Background

- The company's managerial policy has always aimed to manage staff, clients and investors in a way that is both people-centred and efficient.

To this end, we have always prioritised local presence and operational aspects.

The initiatives have very often come from our teams, with the holding company increasingly focusing on two areas of expertise:

- empowering subsidiaries; and
- monitoring subsidiaries.

This policy has not only paid off in terms of the satisfaction of the teams we have managed, but has also been much more effective because it is much more dynamic.

- IT: From the outset, we opted for a broad, precise area that is easy to present: data management. Over the years, as technologies evolved, the terminology used has changed (data management, document management, digital, etc.) but the technological strategy has remained constant, albeit adapted to different markets in many countries and implemented through two arms: Software and Service. Throughout all this, our objectives have remained the same.

5.2 The Group's values

This project is based on strong values:

- Respect: When we talk about respect, we mean both respect for others and respecting our commitments.
- Rigour: This is the very foundation of a strong company – one that can retain its distinctive character and meet its long-term commitments over time.
- Involvement: Involving everyone shows the importance we attach to our people and their talents, and to keeping them in balance.

5.3 Materiality analysis and CSR risk management

Materiality for Sword Group refers to the importance of economic, environmental and social issues for the company and its stakeholders.

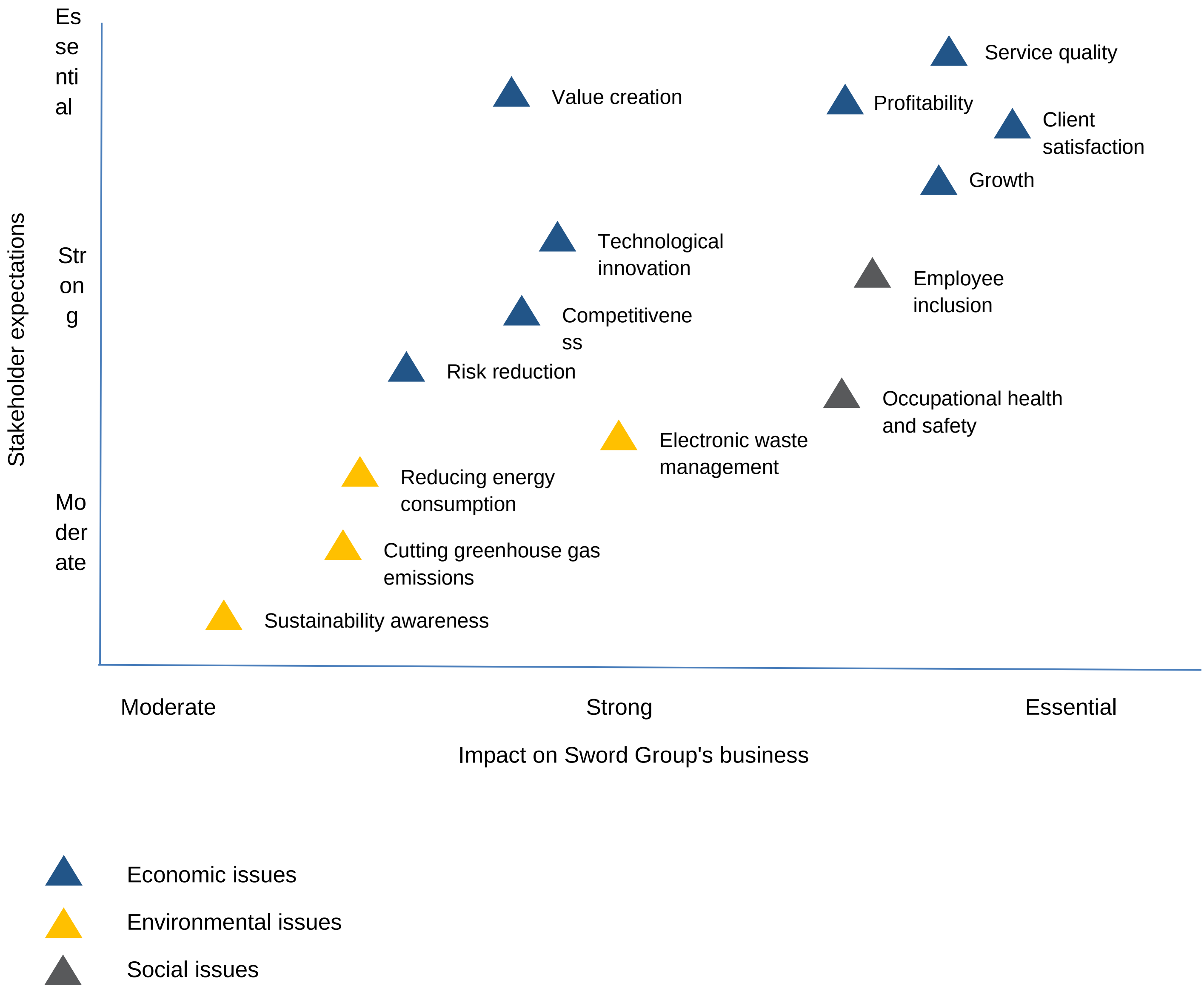
Sword Group is a digital services company that provides innovative solutions to help clients optimise their performance, manage their digital transformation and address their cybersecurity needs. To carry out a materiality analysis, it is important to identify the company's key stakeholders.

Sword Group's stakeholders include clients, employees, shareholders, business partners, suppliers, local communities and regulators. For each stakeholder, it is important to understand the issues that matter to them.

Economic issues: Sword Group must meet the needs and expectations of its clients, which may vary by industry and market. Important economic issues for Sword Group include service quality, client satisfaction, technological innovation, price competitiveness and business growth. Sword Group's shareholders are also an important stakeholder group, and the issues that matter to them include profitability, long-term value creation and risk reduction.

Environmental issues: As a digital services company, Sword Group has a limited environmental impact compared with other businesses, but it must always consider the environmental issues that matter to its stakeholders. Environmental issues for Sword Group include reducing energy consumption, managing electronic waste, cutting greenhouse gas emissions and raising awareness of sustainability.

Social issues: Social issues for Sword Group include employee diversity and inclusion, occupational health and safety, responsible supply chain management, community engagement and transparency. Sword Group must ensure that its employees are treated fairly and that their well-being is taken into account, while observing social and ethical standards.



5.4 Sword a signatory to the United Nations Global Compact

As a signatory to the United Nations Global Compact since 2011, Sword is committed to upholding the 10 principles relating to human rights and labour, the environment and corruption.

Accordingly, we use the Sustainable Development Goals to guide our CSR strategy in order to better respond to the challenges of today's world.

By joining, the company was keen to show it was a socially responsible stakeholder in the global economy. The UN Global Compact was chosen as it provides a globally recognised framework as well as sustainability. Sword Group therefore complies with the 10 principles set out by the Compact. The Ten Principles of United Nations Global Compact are derived from:

The Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

Human Rights

- Businesses should support and respect the protection of internationally proclaimed human rights; and
- make sure that they are not complicit in human rights abuses.

Labour

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced and compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

Environment

Businesses should:

- support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Businesses should work against corruption in all its forms, including extortion and bribery.

WE SUPPORT

www.unglobalcompact.org

Sword Group's social responsibility means viewing the company not only as a centre of production and a profit-making entity but also as having a responsibility for its wider environment (people inside and outside the company, the natural environment, etc.).

This general principle is implemented through various actions tailored to the specific circumstances of Sword Group, its businesses, its employees and its subsidiaries.

Sword supports all the objectives but has identified those that are most relevant to it:

3 BONNE SANTÉ ET BIEN-ÊTRE	**Staff** Respect for others Internal promotion Empowerment Skills development
4 ÉDUCATION DE QUALITÉ	**Training** Employee training plan Partnerships with local schools
5 ÉGALITÉ ENTRE LES SEXES	**Increasing our proportion of female staff** While we operate in what has traditionally been a very male-dominated sector, we are aiming for gender parity in our teams so that we can achieve parity at management level in the future, through internal promotions.
10 INÉGALITÉS RÉDUITES	**Supporting a cause that can unite all our cultures** The Group is committed to promoting women's interests at all levels, and has invested in patronage and sponsorship in Europe and Africa aimed at encouraging women's sport and their integration through sport.
11 VILLES ET COMMUNAUTÉS DURABLES	**Applying our three core values every day** To secure staff buy-in to our three core values, we have again avoided top-down management in favour of a less structured approach whereby we promote a range of local initiatives that support our goal. **Having a clear and quantified vision of our future** Each entity has meetings and discussions with its teams. **Ensuring our Group's long-term future** Since 2018, we have drawn up Business Unit risk analyses, which are consolidated at Group level then presented and discussed, and then finalised by the Board of Directors. We have also, through the Group's decentralisation, promoted independent BU directors, who are themselves managed by CEOs, thereby reducing the risk of isolation of these managers.
12 CONSOMMATION ET PRODUCTION RESPONSABLES	**Management and operation** Reducing paper consumption Recycling Reducing travel Promoting soft modes of transport
13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	**Combating climate change** Since 2016, when the company introduced its electric vehicle policy, we have worked to constantly reduce our greenhouse gas emissions, bearing in mind the requirement of carbon neutrality by 2030.

Sword Group's CSR strategy was developed based on the main non-financial risks facing the company and taking into account the materiality analysis.

- Acting ethically and responsibly, from the governance of the company and its supply chain through to the impact on its stakeholders and support for communities.
- Empowering human capital by means of a strong corporate culture and a caring management style that fosters diversity and encourages employee training and mobility.
- Helping to protect the planet by curbing energy consumption, reducing and recycling waste, favouring soft modes of transport and taking account of the digital carbon footprint to minimise the impact on the environment.

5.5 Governance

THE BOARD OF DIRECTORS

In addition to compliance with laws and regulations, Sword incorporates financial and non-financial best practices into its governance in order to improve its performance and cement the trust placed in the company by both its internal and external stakeholders and so contribute to the long-term success of the business.
The composition and operation of the company's senior management and administrative bodies are detailed in Chapter 3 of the financial report.

THE AUDIT COMMITTEE

The Audit Committee assists Sword Group's Board of Directors in its tasks of supervising the financial reporting, external audit and internal control processes.

THE REMUNERATION COMMITTEE AND APPOINTMENTS, GOVERNANCE, ETHICS AND CORPORATE RESPONSIBILITY COMMITTEE (combined into a single committee)

These committees provide the Board of Directors with assistance regarding the following matters:
- company remuneration policy;
- appointment of new members to the Board;
- transparency and neutrality of the organisation;
- environmental, social, economic and ethical issues.

INVESTOR RELATIONS

To foster dialogue with shareholders and promote long-term engagement, Sword maintains regular contact with investors. The company's results are presented every six months, in English and French, to an audience of investors, analysts, journalists and anyone else interested in the company's activities. Quarterly revenue information is communicated to stakeholders. The company's management team also attends professional investor fairs. A dedicated website allows anyone to view the Group's latest figures and news and to contact the company's management.

KEY INDICATORS

- Over 50% of directors independent
- Board made up of 6 members, including 1 woman
- Very high Board member attendance (93%)
- Interim meetings held by phone

5.6 Suppliers and partners

SUPPLIER CODE OF CONDUCT

Sword has implemented a supplier code of conduct to ensure that its suppliers are committed to respecting detailed rules on the environment and human rights, including the prevention of discrimination, child labour and forced or compulsory labour, as well as compliance with wage-related legislation and the maintenance of a safe and healthy working environment.

RESPONSIBLE PURCHASING POLICY

Sword's responsible purchasing policy is based on fair treatment and transparent selection of suppliers as well as the consideration of social and environmental criteria in its choice of suppliers. The objective of this policy is to forge healthy commercial relationships with its suppliers and to have a positive impact on its ecosystem in terms of CSR practices. This includes respect for ethical principles regarding human rights and working conditions, environmental issues, the fight against corruption and unfair business practices.

KEY INDICATORS

- Formalisation of a responsible purchasing policy
- CSR Code of Conduct for suppliers

5.7 Social engagement

LOCAL ACTIONS

Sword undertakes actions locally in each country where it operates:

- employment of refugees for one-off contracts;
- partnerships with the Red Cross, Terre des Hommes, Médecins Sans Frontières and UNICEF;
- help for people with disabilities;
- coaching young students through a mentoring programme in three countries: the UK, Lebanon and Switzerland;
- targeted actions throughout the year, such as participation in charity races.

SPORT AND EDUCATION FOUNDATION

At Group level, a Sport and Education Foundation has been set up, which has been working with the Senegalese football club Dakar Sacré-Cœur (DSC) for the past two years. The project is a societal and sports project whose initiatives have so far mainly revolved around football and education.
It focuses in particular on recreational football, with a free football school and holiday courses for 100 girls, and solidarity in sport, including the promotion of women and the transfer of various skills.

KEY INDICATORS

- 3 trips to Dakar for exchanges and training
- Support provided to 100 women through education
- 10 women registered for Excel certification
- 30 young people trained in basic marketing

5.8 Data security

TEAM

<u>Appointment of data protection officers</u>

All Sword companies now have designated data protection officers and a central, standardised communication channel for raising data security concerns. Since the GDPR came into force in 2018, Sword has not received any complaints about non-compliance with the law.

<u>Investment in tools</u>

Sword has invested in licences for standardised tools that will be rolled out globally during 2023 to enable even more advanced data protection features on our core IT platform. Specifically, these features include automated data classification and labelling, data loss prevention (DLP), remote access revocation and scheduled deletion/expiration periods for data and files. These enhancements will make it easier for Sword to comply with new client and legislative requirements, and to keep pace with ever-evolving best practices.

CERTIFICATIONS

The majority of Group entities are ISO 27001 certified. ISO 27001 is the most widely recognised standard for information security management system requirements.
The certifications are up to date and renewed as and when they expire.
The global IT function also obtained ISO 27001 certification in late 2022.
To simplify this process, there was a major Group-wide standardisation of information security procedures, tools and policies worldwide.

KEY INDICATORS

- 43% of employees worldwide trained in the GDPR
- 0 complaints received for GDPR non-compliance
- Other certifications held within the Group: ISO 9001: 2015, ISO 20000-1: 2018
- Group-wide data breach procedure in place
- Penetration testing carried out with a successful outcome

5.9 EMPLOYEES

As at 31 December 2022, Sword Group had a headcount of 2,723:

- 1,958 onshore: England, Scotland, the Netherlands, Luxembourg, Switzerland, Canada, the Middle East, Saudi Arabia, Australia, France;
- 396 nearshore: Greece, Spain, Cyprus;
- 364 offshore: Lebanon, India;

including 511 freelancers and 5 employees at the holding company.

People values: internal promotions, respect for others, diversity, dialogue.
This strategy has been applied successfully for a very long time, and is integral to the nature of a wholly globalised and decentralised group with employees from all backgrounds.

Particular attention is paid to working conditions and periodic monitoring of employees.
Managers are made aware of the need to value their teams and recognise their contributions.

TRAINING

At Sword, staff training is vital, not only for employees' personal development but also to ensure that they remain at the right level over time.
In 2022, 48% of employees completed internal or external training. The average training time was nine days per person.

STAFF PARITY

This goal cannot be achieved at the expense of fairness. In other words, we have to recruit and promote female staff based wholly on merit and not on numbers.
With this in mind, we have followed our usual approach of implementing an improvement policy, which will allow us to move towards a better gender balance little by little and level by level.
Until the 2000s, the IT world was extremely male-dominated. This created a gender imbalance which is now being rectified.

The Board of Directors has decided on the following approach:

- where women and men have equal skill sets, prioritise the recruitment of the former in order to increase the proportion of women in the company from 46% to 50%;
- undertake internal promotions coupled with training, in order to achieve gender parity among BU directors within seven years;
- increase female representation on the Executive Management Committee, through either internal promotion or recruitment;
- propose female directors to the General Meeting.

GENDER EQUALITY

The Group has always observed total equality between men and women, in terms of both pay and the roles allocated to each.
The Finance Department closely monitors the remuneration of each category, and the Group's exceptional growth requires us to report approximate data to the market.
The pay of men and women at Sword is exactly the same, within a margin of 3%.

KEY INDICATORS

- At least 1 career interview per year for every employee
- Staff turnover of 9.9% in 2022
- 48% of employees given at least 1 training course in 2022
- 707 gross hires in 2022
- 32 nationalities in the workforce
- 46% women

5.10 Carbon footprint and energy efficiency

CARBON FOOTPRINT

Day-to-day actions of our employees
We have provided financial assistance to our employees wishing to switch to clean vehicles, with help to hire electric cars and/or bikes.

People management
We are in the process of systematically reducing journeys and investing heavily in all digital tools enabling remote communication. Examples include:

- paying for home-working facilities for our Indian staff;
- installing extensive and sophisticated videoconferencing systems at all our sites;
- taking into account proximity criteria, entailing an inherent reduction in energy consumption.

Premises management
We have taken a range of steps to reduce our energy consumption (presence detectors for switching power on and off, better office insulation, reducing unnecessary heating/air conditioning during staff absences, systematically reusing heat emitted by our data centres in order to cut our heating bills).

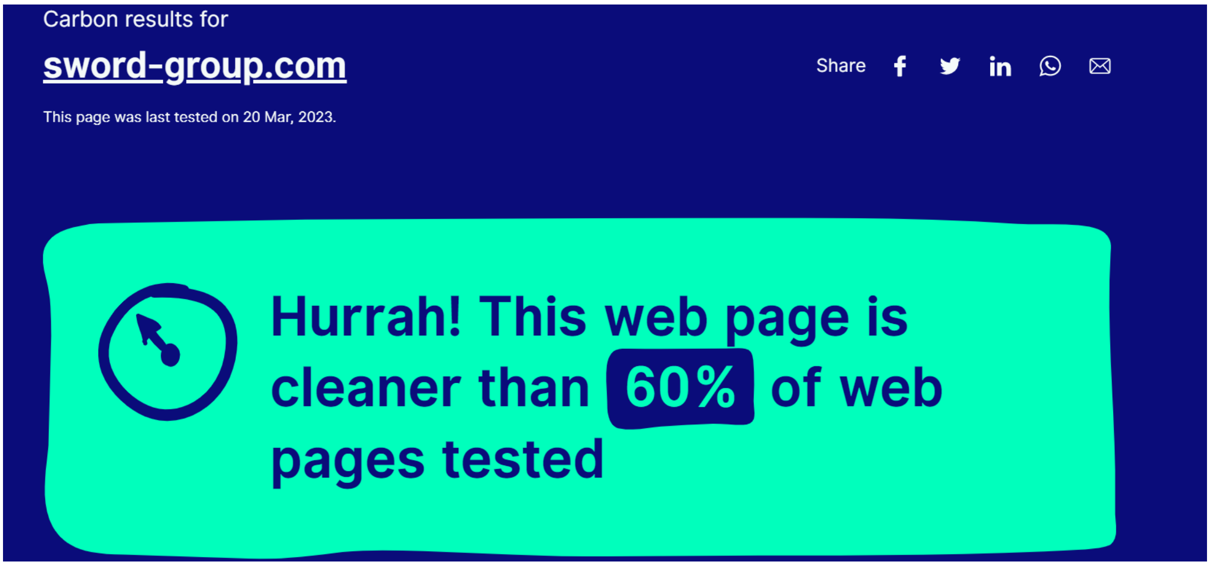
Operations management
We have put in place a management policy for all our material assets, including:

- increasing the lifespan of our equipment;
- managing electrical and electronic equipment waste;
- managing our paper/cardboard waste, with systematic recovery by specialised companies employing staff with disabilities;
- systematically reusing end-of-life equipment, primarily through donations to NGOs;
- maximising the use of digital tools, especially for communication, in order to reduce paper use.

Operations
We are moving towards server virtualisation and data centre hosting as standard, and are working with our clients and suppliers to decarbonise the Group's activities and the value chain as a whole.

KEY INDICATORS

- ISO 14001 certification for our subsidiary Sword Ping Network Solutions
- Overall carbon footprint: 2,668.2 t.CO_2.e per year
  - Scope 1: 16.9 t.CO_2.e per year
  - Scope 2: 219.2 t.CO_2.e per year
  - Scope 3: 2,432.1 t.CO_2.e per year
- 10.0 t.CO_2.e per million € of revenue for 2022



5.11 Phased-in implementation of Article 8 of the EU Taxonomy Regulation

Background
Article 8 of the Taxonomy Regulation aims to enhance transparency in the market and prevent greenwashing by providing investors with information on the environmental performance of the assets and economic activities of issuers subject to the Non-Financial Reporting Directive (NFRD) *.
The Taxonomy Regulation identifies economic activities that can be considered environmentally sustainable based on technical screening criteria set out in delegated acts adopted by the Commission in accordance with that regulation. The first delegated act establishing the technical screening criteria for economic activities considered as contributing substantially to climate change mitigation and climate change adaptation was formally adopted on 4 June 2021.
On 6 July 2021, the Commission adopted a delegated act supplementing Article 8 of the Taxonomy Regulation. The Disclosures Delegated Act specifies the content, methodology and presentation of information to be disclosed by both financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.
Sword Group SE has an obligation to disclose this non-financial information in accordance with this regulation.

* Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large companies and groups

Eligibility of Sword activities under the Taxonomy

Annex 1 to the Commission Delegated Regulation of 6 July 2021 on taxonomy lists over 100 eligible activities contributing substantially to climate change mitigation. For Sword, the eligible activities identified are:

Revenue (turnover) part

- under section **"8.1 Data processing, hosting and related activities"**, i.e. storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing;

- under section **"8.2 Data-driven solutions for GHG emissions reductions"**, i.e. development or use of ICT solutions that are aimed at collecting, transmitting and storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling greenhouse gas (GHG) emission reductions.

Investments (capital expenditure) part

- under section **"6.5 Transport by motorbikes, passenger cars and light commercial vehicles"**, i.e. purchase, financing, renting, leasing and operation of vehicles.

Annex 2 to the Commission Delegated Regulation of 6 July 2021 on taxonomy lists over 100 eligible activities contributing substantially to climate change adaptation. For Sword, the eligible activities identified are:

Revenue (turnover) part

- under section **"8.1 Data processing, hosting and related activities"**, i.e. storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing;
- under section **"8.2 Computer programming, consultancy and related activities"**, i.e. providing expertise in the field of information technologies: writing, modifying, testing and supporting software; planning and designing computer systems that integrate computer hardware, software and communication technologies; on-site management and operation of clients' computer systems or data processing facilities; and other professional and technical computer-related activities.

Based on this categorisation of activities, Sword's eligible revenue (turnover) under this regulation would amount to 59.68% of total consolidated revenue. The figures presented below are in euros.

Data processing and hosting	14,699,019
Solutions for reducing GHG emissions	1,371,766
Computer programming and related consultancy	146,404,469
TOTAL ELIGIBLE ACTIVITIES	**162,475,254**
TOTAL NON-ELIGIBLE ACTIVITIES	109,781,276
TOTAL CONSOLIDATED REVENUE (see Notes 7 and 8 to the consolidated financial statements)	272,256,530

Based on this categorisation of activities, Sword's eligible investments (capital expenditure) under this regulation would amount to 8.39% of total consolidated investment.

Transport by motorbikes, cars and light commercial vehicles	1,189,375
TOTAL ELIGIBLE INVESTMENTS	**1,189,375**
TOTAL NON-ELIGIBLE INVESTMENTS	12,986,227
TOTAL INVESTMENTS (see Notes 14, 15 and 16 to the consolidated financial statements)	14,175,602

As regards operating expenditure eligible under this regulation, Sword Group SE and its subsidiaries have not engaged in any significant eligible expenditure of this kind.

Alignment of Sword activities under the Taxonomy

Annexes 1 and 2 to the Commission Delegated Regulation of 6 July 2021 on taxonomy set out technical criteria for identifying whether an eligible activity is aligned with environmental objectives, i.e. an activity contributing substantially to climate change mitigation and climate change adaptation.

Based on the eligible activities identified for Sword, no Sword activity is aligned with the two environmental objectives.

Based on the eligible investments identified for Sword activities, 3.55% of the total investments, representing a total value of €502,960.00, are aligned with one environmental objective, i.e. are investments contributing substantially to climate change mitigation. This 3.55% mainly relates to the operational leasing of new vehicles with emissions of less than 50 g of CO_2 per kilometre travelled.

In conclusion:

Considering that Sword Group SE and its subsidiaries are not detrimental to other environmental objectives, namely:

- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems;

and that Sword Group SE and its subsidiaries comply with the minimum safeguards, namely:

- the OECD Guidelines for Multinational Enterprises;
- the UN Guiding Principles on Business and Human Rights;
- the principles and rights of the eight fundamental conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights;

KEY INDICATORS

Sword Group SE presents the following "GREEN" consolidated key figures:

- "Green" revenue (turnover) 0.00%
- "Green" investments (capital expenditure) 3.55%
- "Green" operating expenditure 0.00%

06 CONSOLIDATED FINANCIAL STATEMENTS

6 CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

6.1 Consolidated statement of financial position

As at 31 December 2022

(in thousands of €)	Notes	31 December 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Goodwill	13	71,227	66,503
Other intangible assets	14	7,905	19,032
Property, plant and equipment	15	4,649	3,171
Right-of-use assets	16	12,340	7,860
Financial assets at fair value through other comprehensive income	17	-	3,011
Derivatives		278	-
Deferred tax assets	26	655	743
Other assets	19	765	743
TOTAL NON-CURRENT ASSETS		97,819	101,063
CURRENT ASSETS			
Trade and other receivables	8,18	32,173	32,415
Work in progress	8	35,627	21,727
Current tax assets		855	664
Other assets	19	14,951	10,760
Cash and cash equivalents	20	57,138	55,295
Prepaid expenses		6,133	3,752
TOTAL CURRENT ASSETS		146,877	124,613
TOTAL ASSETS		**244,696**	**225,676**

The notes hereinafter form an integral part of the consolidated financial statements.

Consolidated statement of financial position (continued)

As at 31 December 2022

(in thousands of €)	**Notes**	**31 December 2022**	**31 December 2021**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	35	9,545	9,545
Share premium		70,676	70,676
Reserves		9,210	8,181
Retained earnings		11,376	4,510
TOTAL EQUITY – GROUP SHARE		100,807	92,912
Non-controlling interests (minority interests)		737	1,416
TOTAL EQUITY		**101,544**	**94,328**
NON-CURRENT LIABILITIES			
Lease obligations	16	9,734	6,220
Other financial debts	23	18,000	-
Pension provisions	21	228	222
Other provisions	22	13	337
Deferred tax liabilities	26	1,830	1,634
Other liabilities	25	32,488	48,882
TOTAL NON-CURRENT LIABILITIES		62,293	57,295
CURRENT LIABILITIES			
Lease obligations	16	3,033	2,784
Other financial debts	23	467	278
Other provisions	22	343	749
Trade and other payables	24	24,583	24,963
Current tax liabilities		1,211	932
Other liabilities	25	35,587	30,794
Prepaid services	8	15,635	13,553
TOTAL CURRENT LIABILITIES		80,859	74,053
TOTAL LIABILITIES		**143,152**	**131,348**
TOTAL EQUITY AND LIABILITIES		**244,696**	**225,676**

The notes hereinafter form an integral part of the consolidated financial statements.

6.2 Consolidated income statement

For the year ended 31 December 2022

(in thousands of €)	Notes	31 December 2022	31 December 2021
Revenue	7, 8	**272,257**	**214,564**
Purchases		(26,383)	(11,995)
Personnel expenses	27	(119,162)	(97,052)
Other external charges	28	(91,839)	(77,616)
(Allocations to)/reversals of provisions	29	(194)	836
Other current operating expenses		(1,648)	(1,350)
Other current operating income		2,028	1,887
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION, EXCLUDING NON-RECURRING ITEMS (EBITDA)		**35,059**	**29,274**
EBITDA in %		**12.88%**	**13.64%**
Charges for depreciation of property, plant and equipment	15	(1,241)	(1,176)
Charges for depreciation of right-of-use assets	16.1	(3,120)	(2,436)
Charges for depreciation of intangible assets arising from business combinations	14	(2,636)	(1,499)
Charges for depreciation of other intangible assets	14	(865)	(1,581)
EARNINGS BEFORE INTEREST AND TAXES, EXCLUDING NON-RECURRING ITEMS (EBIT)		**27,197**	**22,582**
EBIT in %		**9.99%**	**10.53%**
Income from disposals of assets and subsidiaries	30	98,441	393
Impairment loss on assets	31	(1,114)	(30)
Other non-recurring items	32	(6,963)	(3,800)
OPERATING PROFIT (OP)		**117,561**	**19,145**
OP in %		**43.18%**	**8.92%**
Financial income		2,889	8,203
Financial expenses		(8,317)	(5,818)
FINANCIAL RESULT	**33**	**(5,428)**	**2,385**
PROFIT BEFORE TAX		**112,133**	**21,530**
Income tax	26	(2,355)	(3,656)
PROFIT FOR THE YEAR		**109,778**	**17,874**
Of which:			
Group share		109,755	17,653
Non-controlling interests (minority interests)		23	221
Earnings per share for the profit for the year – Group share			
Basic earnings per share *(in €)*	34	11.51	1.85
Diluted earnings per share *(in €)*	34	11.51	1.85

The notes hereinafter form an integral part of the consolidated financial statements.

6.3 Consolidated statement of comprehensive income

For the year ended 31 December 2022

(in thousands of €)	Notes	31 December 2022	31 December 2021
PROFIT FOR THE YEAR		**109,778**	**17,874**
Recyclable items in profit or loss			
Translation differences			
- during the year		(608)	5,201
Total recyclable items in profit or loss		(608)	5,201
Non-recyclable items in profit or loss			
Defined-benefit plans			
- Actuarial gains and losses on post-employment benefits	21	15	3
Financial assets held for sale			
- Gain related to remeasurement at fair value	17	1,820	158
Total non-recyclable items in profit or loss		1,835	161
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX		**1,227**	**5,362**
COMPREHENSIVE INCOME FOR THE YEAR		**111,005**	**23,236**
Of which:			
Group share		110,957	22,940
Non-controlling interests (minority interests)		48	296

The notes hereinafter form an integral part of the consolidated financial statements.

6.4 Consolidated statement of changes in equity

For the year ended 31 December 2022

(in thousands of €)	Share capital	Share premium	own shares	Reserve for remeasurement of financial assets	Defined-benefit plans	Foreign-currency translation reserve	Retained earnings	Total	Non-controlling interests (minority interests)	Total equity
BALANCE AS AT 1 JANUARY 2021	**9,545**	**70,676**	**1,745**	**526**	**(215)**	**491**	**51,382**	**134,150**	**1,792**	**135,942**
Profit for the year	-	-	-	-	-	-	17,653	17,653	221	17,874
Other comprehensive income	-	-	-	158	3	5,126	-	5,287	75	5,362
Comprehensive income for the year	-	-	-	158	3	5,126	17,653	22,940	296	23,236
Repurchase/resale of ordinary shares [2]	-	-	347	-	-	-	-	347	-	347
Payment of dividends [3]	-	-	-	-	-	-	(45,809)	(45,809)	(29)	(45,838)
Transactions between shareholders [1]	-	-	-	-	-	-	(18,716)	(18,716)	(643)	(19,359)
BALANCE AS AT 31 DECEMBER 2021	**9,545**	**70,676**	**2,092**	**684**	**(212)**	**5,617**	**4,510**	**92,912**	**1,416**	**94,328**
Profit for the year	-	-	-	-	-	-	109,755	109,755	23	109,778
Other comprehensive income	-	-	-	1,820	15	(633)	-	1,202	25	1,227
Comprehensive income for the year	-	-	-	1,820	15	(633)	109,755	110,957	48	111,005
Repurchase/resale of ordinary shares [2]	-	-	(173)	-	-	-	-	(173)	-	(173)
Payment of dividends [3]	-	-	-	-	-	-	(95,414)	(95,414)	-	(95,414)
Transactions between shareholders [1]	-	-	-	-	-	-	(7,475)	(7,475)	(727)	(8,202)
BALANCE AS AT 31 DECEMBER 2022	**9,545**	**70,676**	**1,919**	**2,504**	**(197)**	**4,984**	**11,376**	**100,807**	**737**	**101,544**

[1] *See Note 10.*
[2] *See Note 36.*
[3] *See Note 37.*

The notes hereinafter form an integral part of the consolidated financial statements.

6.5 Consolidated statement of cash flows

For the year ended 31 December 2022

(in thousands of €)	Notes	31 December 2022	31 December 2021
Cash flows from operating activities			
Profit for the year		109,778	17,874
Adjustments:			
Depreciation charges	14,15,16	7,862	6,692
Impairment loss on intangible assets and property, plant and equipment	31	1,114	30
Impairment losses on trade receivables, net of reversals	18	267	(932)
(Reversals of)/allocations to other provisions	22	(369)	630
Allocations to/(reversals of) provisions for employee benefits	21.1	21	(10)
Net capital gains on disposals of non-current assets, net of transaction costs	30	(98,441)	(393)
Changes in fair value of additional payments/commitments to repurchase securities held by minority shareholders/Co-investors	5.3	3,577	(1,520)
Interest income		(93)	-
Interest expenses on lease obligations	33	220	161
Interest expenses on loans and other financial debt	33	372	194
Income tax	26.1	2,355	3,656
Change in working capital		(9,558)	(5,093)
Cash flow generated by operating activities		17,105	21,289
Tax paid		(2,374)	(3,960)
NET CASH FLOWS FROM OPERATING ACTIVITIES		14,731	17,329
Cash flows from investment activities			
Acquisitions/new consolidations:			
- Assets generated internally	14	(3,939)	(7,626)
- Intangible assets	14	(379)	(110)
- Property, plant and equipment	15	(1,707)	(2,548)
Disposals/deconsolidations:			
- Property, plant and equipment		-	14
- Financial assets at fair value through other comprehensive income	17	4,831	111
Interest received		93	-
Acquisition of control of subsidiaries, net of cash and cash equivalents acquired		(13,959)	(8,499)
Loss of control of subsidiaries, net of cash and cash equivalents disposed of		113,844	(96)
NET CASH FLOWS FROM/(ALLOCATED TO) INVESTMENT ACTIVITIES		98,784	(18,754)

The notes hereinafter form an integral part of the consolidated financial statements.

Consolidated statement of cash flows (continued)

For the year ended 31 December 2022

(in thousands of €)	**Notes**	**31 December 2022**	**31 December 2021**
Cash flows from financing activities			
Payment related to the repurchase and resale of ordinary shares	36	(173)	347
Acquisitions of non-controlling interests (minority interests)		(2,596)	(1,251)
Consideration received from non-controlling interests (minority interests)		3,191	1,431
Repayment of debts related to commitments to repurchase securities held by Co-investors		(29,927)	-
Repayment of lease obligations		(3,828)	(3,093)
New loans and use of lines of credit	23	18,000	-
Repayment of loans and lines of credit		-	(2,392)
Interest paid on loans and other financial debt	33	(372)	(194)
Interest paid on lease obligations	33	(212)	(157)
Dividends paid to shareholders in the parent company	37	(95,414)	(45,809)
Dividends paid to non-controlling interests		-	(33)
NET CASH FLOWS ALLOCATED TO FINANCING ACTIVITIES		(111,331)	(51,151)
Net change in cash and cash equivalents		**2,184**	**(52,576)**
Cash and cash equivalents as at opening		55,017	105,807
Change in foreign exchange rate effect		(530)	1,786
CASH AND CASH EQUIVALENTS AS AT YEAR END	20	**56,671**	**55,017**

The notes hereinafter form an integral part of the consolidated financial statements.

6.6 Notes to the consolidated financial statements

NOTE 1. GENERAL INFORMATION

1.1 Company presentation

Sword Group SE hereinafter referred to as ("the Company") is a European company (*Societas Europaea*, or SE) established under Luxembourg law, having its headquarters at 2 Rue d'Arlon, Windhof (Luxembourg). The Company is registered in the Register of Commerce and Companies of Luxembourg under number B 168.244.

Sword Group, comprising the Company and the companies it controls, specialises in the global delivery of software and IT services, primarily to public institutions and international groups.

The Group offers a wide range of services, including strategic and operational consulting, solution engineering and application development, project ownership support and project management support, infrastructure management and application maintenance for third parties, and resource outsourcing.

The Company's shares are listed on Euronext Paris (Compartment B).

The consolidated financial statements are available on the website of the Luxembourg Stock Exchange.

The consolidated financial statements were approved by the Board of Directors on 2 March 2023. The consolidated financial statements will be finalised once approved by the General Meeting of Shareholders on 28 April 2023.

1.1.1. Major events in 2022

On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Limited, a company incorporated in the UK, for GBP 10,581,000 (equivalent to €12,838,000), excluding additional payments. See Note 11.

Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskonnect for GBP 114,061,000 (equivalent to €136,565,000). The disposal covers the design and sale of governance, risk and compliance (GRC) software. See Note 12.

On 1 July 2022, the Group signed an agreement to purchase 100% of Phusion IM Limited, a company incorporated in the UK, for GBP 1,809,000 (equivalent to €2,108,000), excluding additional payments. See Note 11.

NOTE 2. BASIS FOR PREPARATION AND ACCOUNTING PRINCIPLES

2.1 Basis for preparation

The consolidated financial statements are presented in thousands of euros (the Company's functional currency), rounded off to the nearest thousand, unless otherwise indicated. They are prepared on the basis of the historical cost, with the exception of derivatives and financial assets held for sale that were valued at their fair value.

As per EU Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements as at 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union (hereinafter "IFRS" or "IFRS standards").

Assets and liabilities, expenses and income were not offset, unless permitted or required by IFRS standards.

2.2 Change of accounting methods

2.2.1. New and revised IFRS standards impacting the amounts presented or the disclosures to be provided in the consolidated financial statements

During the year under review, the Group adopted no new or revised IFRS standards which had to be mandatorily applied for the year commencing on 1 January 2022 and which were likely to have a significant impact on the Group's consolidated financial statements.

2.2.2. New and revised IFRS standards, published but not yet applicable

None of the new IFRS standards or IFRIC interpretations or amendments thereto that had been issued by the IASB/IFRS Interpretations Committee (IFRS IC) by the date of approval of these consolidated financial statements but which were not yet applicable and for which the Group has not opted for early application, are likely to impact the Group's financial statements, except for the following standard:

Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position, not the amount or timing of recognition of any asset, liability, income or expense, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments must be applied retrospectively for annual reporting periods beginning on or after 1 January 2023.

2.3 Use of estimates

Preparing consolidated financial statements in accordance with IFRS requires management to make estimates and select scenarios in the process of applying accounting principles. Those areas involving a higher level of judgement or complexity, or those for which the estimates and scenarios are significant with respect to the consolidated financial statements, are presented in Note 3.

2.4 "Current" and "non-current" presentation

The consolidated statement of financial position is presented according to the "current" and "non-current" distinction defined by IAS 1. Current assets and liabilities are those which the Group expects to realise, consume or settle during the normal operating cycle, which may extend beyond 12 months after the reporting date. All other assets and liabilities are non-current.

2.5 Translation methods

2.5.1. Translation of the financial statements of foreign subsidiaries

The functional currency of each of the Group's entities is the currency of the economy in which the entity is operating.

The accumulated impact of the translation of financial statements of foreign operations is recognised in equity under "Foreign-currency translation reserve". The assets and liabilities of foreign operations are translated at the closing rate and their income and expenses at the average rate for the year.

Translation differences on monetary items which comprise a receivable or a payable from/to a foreign subsidiary, the settlement of which is not planned or is unlikely, and which constitute a share of the net investment in the foreign subsidiary, are initially recognised in other comprehensive income and recognised in profit or loss at the time of reimbursement of monetary items.

At the time of the disposal of a foreign subsidiary, all accumulated translation differences in equity are recognised in profit or loss.

2.5.2. Transactions in foreign currencies

Transactions denominated in foreign currencies are converted into the functional currency at the exchange rate prevailing at the time of the transaction. At the year end, any accounts receivable or accounts payable in foreign currency are converted at the closing exchange rate.

Translation differences arising when these transactions are settled and when monetary assets and liabilities denominated in foreign currencies are converted at the closing exchange rate are reported in the income statement.

Exchange rate of the euro to the most significant foreign currencies as at 31 December 2022 and 31 December 2021:

	Closing rate		Average rate	
(Currency)	**2022**	**2021**	**2022**	**2021**
Pound sterling	0.8869	0.8403	0.8511	0.8600
US dollar	1.0666	1.1326	1.0550	1.1835
Australian dollar	1.5693	1.5615	1.5082 [(1)]	1.5747
Canadian dollar	1.4440	1.4393	1.3692	1.4835
Swiss franc	0.9847	1.0331	1.0060	1.0814
Indian rupee	88.1679	84.2318	82.7404	87.4891

(1) Calculated over the period from 1 July 2022 (date of acquisition of Onsite Information Management Pty Ltd (see Note 9.1) to 31 December.

2.6 Consolidation method

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together constituting "the Group"), prepared as at 31 December 2022. A list of consolidated companies is provided in Note 10.1.

2.6.1. Subsidiaries

A subsidiary is a company over which the Group has direct or indirect control. Subsidiaries are consolidated using the full consolidation method as of the date on which the Group acquires control, and are deconsolidated as of the date on which such control ends.

Control is considered to exist if and only if:

- the Group exerts power over the subsidiary;
- it is exposed or entitled to variable returns due to its links with the subsidiary; and
- it is able to exert its power over the subsidiary in such a way as to influence the amount of returns it obtains.

Controlled entities are those where the Group has the power to direct their financial and operational policies.

The financial statements of subsidiaries are prepared for the same reference period as those of the Group, using uniform accounting principles.

All intra-group transactions and balances are eliminated in the consolidation process. The profits and losses realised due to the disposal of assets within the Group are fully eliminated.

Profit or loss and each item in other comprehensive income are allocated to shareholders in the parent company and to non-controlling interests (i.e. minority interests), even if this results in a deficit balance.

Changes in the Group's ownership interest in a consolidated subsidiary that do not result in a loss of control only affect equity.

As a result, when acquiring an additional interest in a consolidated subsidiary, the difference between the purchase price and the carrying amount of the minority interests acquired is recognised as a change in equity – Group share.

2.6.2. Loss of control in a subsidiary

When the Group loses control over a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the total fair value of the consideration received and the fair value of any interest retained, and (ii) the former carrying amount of the assets (including goodwill) and liabilities of the subsidiary, as well as any non-controlling interest. All amounts previously recognised in other comprehensive income pertaining to the subsidiary in question are recognised in profit or loss for the year or transferred to another category of equity, where appropriate, as if the Group had directly deconsolidated the subsidiary's assets and associated liabilities. The fair value of an interest retained in the former subsidiary on the date of loss of control must be considered as being the fair value at the time of initial recognition for the purposes of subsequent recognition under IFRS 9.

2.7 Business combination

When the Group takes control of an entity, the identifiable assets and liabilities are recognised at their fair value on the date of acquisition.

The consideration transferred in a business combination corresponds to the fair value of assets transferred (including cash), liabilities assumed and equity instruments issued by the Group in exchange for control of the acquired entity. The costs directly related to the acquisition are recognised in profit or loss.

Goodwill is measured as the positive difference between the following two items:

- the sum of (i) the consideration transferred and, where appropriate, (ii) the amount of non-controlling interests (minority interests) in the acquired entity and (iii) the fair value of interests already held by the Group prior to acquiring control; and
- the net amount on the acquisition date of the fair value of identifiable assets and liabilities acquired and assumed.

If, after confirmation of the values, this difference is negative, the amount is immediately recognised in the profit as a gain on a bargain purchase.

Goodwill is recognised on the assets side of the consolidated statement of financial position under "Goodwill" and is subject to an annual impairment test (see section 2.8 below).

In addition, in the goodwill measurement explained below, the amount of non-controlling interests can be measured, on a case-by-case basis with the Group being able to choose, either at fair value ("full goodwill" option) or the share of the acquired entity's identifiable net assets ("partial goodwill" option).

Acquisition differences are recognised in the functional currency of the acquiree.
Any additional payments are included in the acquisition price at their fair value on the date on which control was acquired. This takes the form of a consideration in equity or debts depending on how the additional payments are settled. The subsequent recognition of changes in the fair value of any contingent consideration depends on its classification in the consolidated financial statements.

Any contingent consideration classified as an asset or liability is remeasured on the subsequent reporting dates in accordance with IFRS 9 or IAS 37, depending on the case, and the ensuing gain or loss is recognised in the profit for the year.

Acquiring control through consecutive purchases is analysed as a twofold operation: first, a disposal of the entire previously held interest; and second, an acquisition of all shares with recognition of an acquisition difference (goodwill) on the entire interest (old batch and new acquisition).

If the initial recognition of a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its financial statements provisional amounts for the items for which there is incomplete recognition.

During the measurement period, the provisional amounts are adjusted retrospectively to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised on that date. However, the measurement period shall not exceed one year from the acquisition date.

2.8 Goodwill

Goodwill arising from the acquisition of a business is recognised at the cost established on the acquisition date (see Note 2.7), less any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to cash-generating units (CGUs), namely those likely to benefit from the synergies expected of the business combination and representing, within the Group, the lowest level at which goodwill is monitored for internal management purposes. CGUs correspond to operating segments.

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use, determined using the cash-flow discounting method. When the recoverable amount is lower than the carrying amount, an impairment loss must be recognised.

The impairment loss is then allocated, firstly as a decrease in the carrying amount of any goodwill allocated to the CGU, and then, for the remainder, as a decrease in the carrying amount of the CGU's other assets pro rata on the basis of the carrying amount of each asset in the CGU.

Goodwill is not depreciated and is subject to impairment testing at least once a year by comparing the carrying amount with the recoverable amount as at the reporting date, determined on the basis of three-year cash-flow forecasts. Impairment testing may occur more frequently if events or circumstances indicate that the carrying amount is not recoverable.

2.9 Intangible assets other than goodwill

Intangible assets other than goodwill comprise mainly software, SaaS (software as a service) contracts, software maintenance contracts and production backlog, business combination activities, the amount paid to buy out a non-compete clause (see Note 14) and development costs for upgrading existing software solutions.

2.9.1. Intangible assets acquired separately

Intangible assets acquired separately mainly comprise the non-compete clause. It has an indefinite useful life and is consequently recognised at its acquisition cost less any accumulated impairment losses.

2.9.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill if they meet the definition of an intangible asset. The cost of intangible assets corresponds to their fair value on the date of acquisition.

After initial recognition, these intangible assets are depreciated using the straight-line method over an expected useful life of the following duration:

- Software (and associated contracts):	5-10 years
- Order books:	3 months to 5 years

2.9.3. Intangible assets generated internally

Research costs are recognised as an expense in the period in which they are incurred.

Development costs are capitalised when they meet the following criteria:

- the technical feasibility needed for completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the probability that the Group will accrue future economic benefits as a result of the intangible asset;
- the availability of adequate technical, financial and other resources to realise the intangible asset;
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development costs that meet the above criteria are treated as assets up to the level of the direct costs attributed to the project. They are depreciated over the expected useful life, as of the project marketing date.

Bearing in mind the specific characteristics of the Group's activities, the crucial criterion is technical feasibility, since that is generally the last criterion to be met. The risks and uncertainties involved in the development of new software are such that it is impossible to demonstrate a product's technical feasibility until shortly before it is launched. Consequently, costs incurred in this phase of development, which are likely to be capitalised, are not significant and are therefore recognised in profit or loss as they are incurred.

Internal and external direct expenses incurred for major updates to marketed software and upgrades delivering additional functionalities are capitalised.

2.9.4. Derecognition of intangible assets

An intangible asset is derecognised when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset (determined as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss.

2.10 Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, including directly attributable costs less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalised if it is likely that the future economic benefits associated with the item will be enjoyed by the Group and if its cost can be estimated reliably. All other expenditure is recognised immediately as expenses as it is incurred.

Items are depreciated using the straight-line method in accordance with the expected useful life of the item in question. An impairment loss is recognised, where appropriate, when the carrying amount exceeds the recoverable amount (see Note 2.11).

The estimated useful lives of various items are as follows:

- Facilities and fixtures: 10 years
- Transport equipment: 5 years
- Office equipment: 3-5 years
- Computer hardware: 3 years
- Office furniture: 10 years

The depreciation arrangements for property, plant and equipment are reviewed annually and can be altered prospectively depending on the circumstances.

A property, plant and equipment item is derecognised when it is disposed of or when no future economic benefits are expected from the continuing use of the asset. The gain or loss arising from the disposal or decommissioning of a property, plant and equipment item is the difference between the sale proceeds and the carrying amount of the asset, and is recognised in profit or loss.

2.11 Impairment of intangible assets and property, plant and equipment

As at each reporting date, the Group reviews the carrying amounts of its intangible assets and property, plant and equipment in order to determine if there is any indication of an impairment loss. If there is, then the recoverable amount is estimated with a view to determining the amount of the impairment loss.

If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When measuring value in use, estimated future cash flows are discounted by applying a pre-tax rate that reflects the current assessment of the time value of money and the risks specific to the asset for which the future cash-flow estimates have not been adjusted.

If the recoverable amount of an asset (or CGU) is less than its carrying amount, the carrying amount of the asset (or CGU) shall be reduced to its recoverable amount. Any impairment loss is recognised immediately in profit or loss.

If an impairment loss is reversed subsequently, the carrying amount of the asset or CGU is increased in line with the revised estimated recoverable amount provided the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. The reversal of an impairment loss is recognised immediately in profit or loss. However, no reversal is possible for impairments of goodwill.

2.12 Fair value

The Group measures financial instruments, such as derivative instruments and financial assets held for sale, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair-value measurement entails the transaction to sell the asset or transfer the liability taking place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal (or most advantageous) market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The measurement of an asset takes into account a market participant's ability to generate an economic benefit by using the asset in its highest and best use or by selling it to another market participant that will use the asset in its highest and best use. Highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

The Group uses measurement techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All of the assets or liabilities for which a fair value is measured or presented in the consolidated financial statements are classified in the fair-value hierarchy (see Note 5.1).

2.13 Financial instruments

2.13.1. Classification

Financial assets are divided into the following categories:

- Financial assets at depreciated cost
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

Financial assets are measured at depreciated cost if the following two conditions are met:

- holding them forms part of a business model where the aim is to hold assets to collect the contractual cash flows arising from them;
- their contractual terms give rise, on specified dates, to cash flows that correspond solely to repayments of the principal and interest payments on the outstanding principal.

Financial assets at depreciated cost comprise trade and other receivables, deposits and guarantees, and cash and cash equivalents.

On initial recognition, equity instruments are classified by default as financial assets at fair value through profit or loss unless the Group makes an irrevocable decision to present those not held for trading as financial assets at fair value through other comprehensive income. This decision is made on an investment-by-investment basis. This is the case for non-consolidated interests in listed and unlisted companies.

Derivatives with a positive value are included in financial assets at fair value through profit or loss.

Financial liabilities are classified either as financial liabilities at depreciated cost or as financial liabilities at fair value through profit or loss.

Financial liabilities at depreciated cost comprise bank borrowings, and trade and other payables.

Derivatives with a negative value are included in financial liabilities at fair value through profit or loss.

2.13.2. Initial measurement

Financial assets/liabilities are recognised initially at fair value, plus/less directly attributable transaction costs in the case of financial instruments which are not at fair value through profit or loss.

2.13.3. Subsequent measurement

After initial recognition, financial assets at depreciated cost are measured at depreciated cost using the effective interest method, less impairment provisions.

Discounting is omitted for short-term loans and receivables, in view of the negligible impact thereof.

The effective interest method is a method for calculating the amortised cost of a financial instrument and allocating interest income during the period in question. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, over a shorter period, to the net carrying amount.

Financial assets at fair value through other comprehensive income are measured subsequently at fair value with recognition of latent gains or losses in other comprehensive income and accumulated in an item called "Remeasurement reserve".

Financial assets at fair value through profit or loss are measured subsequently at fair value, with gains and losses being recognised in profit or loss.

All financial liabilities are subsequently measured at depreciated cost using the effective interest method or fair value through profit or loss.

2.13.4. Impairment of financial assets

In accordance with IFRS 9, the Group applies the "expected credit losses" model. This impairment model mainly relates to financial assets measured at depreciated cost and contract assets.

The Group measures over a 12-month period the risk of default to which instruments with the following characteristics are exposed:

- debt instruments that are established to have a low credit risk as at the reporting date; and
- other debt instruments whose credit risk (i.e. the risk of default over the expected life of the financial instrument) has not increased significantly since their initial recognition.

In other cases, the credit risk is calculated over the life of the assets concerned.

The Group considers that a debt instrument has a low credit risk if its credit rating is equivalent to that resulting from an 'investment grade' classification, i.e. if its credit rating is higher than or equal to BAA3 (Moody's) or BBB- (S&P).

The Group assumes that the credit risk associated with a financial asset has increased significantly if payments have been in arrears for more than 30 days.

The Group considers a financial asset to be in default when:

- it is unlikely that the borrower will settle all its credit obligations to the Group without the Group resorting to actions such as realising the collateral (if any); or
- the financial asset has matured more than 90 days previously.

Measurement of expected credit losses

Expected credit losses are an estimate of credit losses using a model predicting the probability of a default. Credit losses are measured based on the present value of all estimated cash flow deficits (i.e. the difference between the cash flows that are due to the Group under the terms of the contract and the expected cash flow).

Expected credit losses are discounted at the effective interest rate of the financial asset, unless the impact of discounting is considered immaterial.

When the Group assesses trade receivables and contract assets collectively for impairment, the provisioning requirements are measured based on the Group's credit loss history, following any adjustment for changes in macroeconomic indicators such as inflation, interest rates, unemployment rates or GDP.

Credit-impaired financial assets

At each reporting date, the Group measures whether financial assets recognised at depreciated cost are likely to be credit-impaired.

Therefore, financial assets are impaired if one or more events occur that have an adverse effect on the estimated future cash flows of these assets, such as a default on payment by a debtor.

Any receivable that has been outstanding for more than 90 days is fully provisioned unless the Group has information indicating that full or partial recovery is likely.

Presentation of impairment losses

In the balance sheet, loss allowances related to financial assets measured at depreciated cost are deducted from the assets' gross carrying amount.

Impairment losses on trade receivables and other receivables, including contract assets, are presented separately in the income statement.

2.13.5. Derecognition

A financial asset is derecognised if and only if the contractual rights to cash flows related to the financial asset mature or if the Group substantially transfers all of the risks and benefits involved in ownership of the asset.

Upon the derecognition of a financial asset measured at depreciated cost, the difference between the carrying amount of the asset and the sum of the consideration received or due to be received is recognised in profit or loss.

However, at the time of the derecognition of an investment in an equity instrument which the Group has elected to measure at fair value through other comprehensive income on initial recognition, the profit or loss accumulated previously in "Remeasurement reserve" is not reclassified to profit or loss but transferred to retained earnings.

A financial asset is derecognised if and only if the obligation stated in the contract is settled or cancelled or if it matures. The difference between the carrying amount of the derecognised financial liability and the consideration paid and due is recognised in profit or loss.

If the Group exchanges a debt instrument with an existing lender for another debt instrument with substantially different terms, this exchange is recognised as eliminating the original financial liability, with this being replaced with the recognition of a new financial liability. Similarly, the Group recognises a material change in the terms of an existing financial liability or part of the existing financial liability as eliminating the original financial liability, with this being replaced with the recognition of a new financial liability.

2.13.6. Offsetting

A financial asset and a financial liability are offset and the net amount is presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and it is intended either to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

2.14 Derivative financial instruments

The Group uses various derivative financial instruments to manage its exposure to changes in interest rates and exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is concluded, and subsequently measured at fair value at the end of each period. The ensuing gain or loss is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset, while a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group intends and has a legally enforceable right to offset them.

2.15 Trade receivables

Trade receivables are amounts receivable from clients for goods sold or services rendered in the normal course of business. They are part of current assets provided they are realised during the normal operating cycle. Otherwise, they are part of non-current assets.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, short-term deposits originally maturing in less than three months and any monetary investment subject to a negligible risk of change in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above, net of current bank overdrafts. Current bank overdrafts are presented on the liabilities side of the balance sheet under "Financial debt" in current liabilities.

2.17 Trade payables

Trade payables are obligations to pay for goods and services acquired in the normal course of business. They are part of current liabilities provided they are settled during the normal operating cycle. Otherwise, they are part of non-current liabilities.

2.18 Commitments to repurchase non-controlling interests

When the Group grants minority shareholders of certain fully consolidated subsidiaries commitments to repurchase their investments, a financial debt is recognised in accordance with IAS 32.

The debt is initially recognised at its fair value corresponding to the current value of the estimated repurchase price at maturity, with a corresponding cancellation of the related non-controlling interests.

When the value of the debt exceeds the carrying amount of the non-controlling interests, the balance is recognised in equity in terms of the Group share.

Financial debt is remeasured at fair value as at each reporting date in accordance with the relevant contractual clauses and in the absence of any clarification provided by IFRS, with a corresponding adjustment to the financial result.

The Group has adopted a similar accounting policy when minority shareholders have an option to sell all or some of their shares to the Group.

2.19 Provisions

2.19.1. General remarks

A provision must be recognised if:

- the Group has a current legal or implicit obligation as a result of past events;
- resources will probably have to be used to meet the obligation;
- the amount of the obligation can be estimated reliably.

The provisions are recognised at the current value of the expected expenditure of resources. The provisions are discounted if there is a significant time impact. The impact of the discount realised as at each reporting date is recognised in financial expenses.

2.19.2. Onerous contracts

The current obligations arising from onerous contracts are recognised and measured as provisions. A contract is considered onerous when the Group has concluded a contract for which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

2.20 Taxes

Tax expense includes current and deferred tax.

2.20.1. Current tax

Current tax comprises the estimated amount of tax payable (or receivable) on the taxable profit (or loss) for a year for the Company and its subsidiaries, and any adjustments to the current tax for previous years. It is calculated on the basis of the tax rates that have been enacted or substantively enacted by the reporting date.

Management will rely on their own judgement and estimates in situations where the tax regulations are open to interpretation. These positions are reviewed regularly.

2.20.2. Deferred tax

Deferred tax is recognised using the liability method for the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred tax is recognised if it arises from the initial recognition of an asset or liability in a transaction, other than a business combination, which at the time of the transaction affects neither accounting profit(/loss) nor taxable profit(/tax loss). In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred taxes are determined using tax rates and tax regulations which have been enacted or substantively enacted by the reporting date and which are intended to apply when the deferred tax asset in question is realised or when the deferred tax liability is settled.

Deferred tax assets are recognised only in so far as an actual future taxable profit, which will allow the charging of temporary differences, is likely.

To assess the Group's ability to recover these assets, the following are taken into account: forecasts of future tax results, the share of non-recurring charges that will not recur in the future included in past losses, the history of taxable profits for prior periods, and, if applicable, the tax strategy such as the proposed disposal of undervalued assets.

Deferred tax assets are recognised for temporary differences linked to investments in subsidiaries, save when the timetable for reversal of these temporary differences is controlled by the Group and when it is likely that such reversal will not take place in the near future.

Deferred tax assets and liabilities are offset per tax entity when the tax entity is entitled to offset its current tax assets and liabilities, and when the deferred tax assets and liabilities in question are levied by the same tax authority.

2.21 Leases – the Group as a lessee

At the effective date of a contract, the Group assesses whether it is, or contains, a lease. The Group recognises a right-of-use asset and a corresponding lease obligation for all leases in which it is a lessee, except short-term leases (with a term of up to 12 months) and leases where the underlying asset is of low value. For these leases, the Group recognises lease payments as operating expenses using the straight-line method over the term of the lease.

2.21.1. Lease obligations

A lease obligation is initially measured at the present value of the lease payments not paid at the start of the lease, discounted at a specific debt rate for leases under car-rental contracts, measured based on ranges of values obtained from leasing companies for similar transactions and at the marginal debt rate of the subsidiaries, acting as a lessee, for real-estate leases, calculated based on an implicit rating they have been given, plus a country risk premium based on the real estate's location.

Lease payments contributing to the measurement of a lease obligation include:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of purchase options the Group will certainly exercise; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease obligation is subsequently measured at amortised cost using the effective interest method. The Group remeasures the lease obligation (along with an adjustment corresponding to the asset associated to the related right of use) if future lease payments are modified in the event of new negotiations or changes to an index or rate, or in the event of the remeasurement of options.

The Group made no such adjustments during the reporting period.

2.21.2. Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease obligation, lease payments made at or before the commencement date and any initial direct costs.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. The depreciation starts on the commencement date of the lease. Right-of-use assets are subject to impairment testing if there is an indicator for impairment, in accordance with IAS 36. See Note 2.11.

Right-of-use assets are presented under a separate item in the consolidated statement of financial position.

2.22 Principles of revenue recognition

The Group's revenue comes mainly from the following activities:

- consulting and engineering services;
- infrastructure management, application management and resource outsourcing services;
- sales of licences (software) via a single licence, maintenance services related to the sales of licences mentioned above, comprising updates and technical support, SaaS contracts (see the definition below) and the development of additional functionality for standard products commissioned by clients.

SaaS (Software as a Service) sales are based on the principle of providing access to an application over the Internet. Users pay for the service via a service subscription, unlike the traditional model of providing software under a single licence and installing it on the client's own servers.

Revenue is recognised when the Group transfers control of the goods or services sold to the client, either on a given date or gradually.

2.22.1. Consulting and engineering services

Consulting and engineering contracts are based on deliverables and are remunerated at a fixed price. The resulting services include systems integration and the design and development of customised computer systems and associated processes. The contract term is generally between six and 15 months.

The contract prices may be subject to bonuses or penalties based on the achievement of specified performance goals or benefit levels provided to the client.

Revenue is generally recognised on a percentage-of-completion basis, as at least one of the following conditions is met: (i) the Group's service enhances an asset that the client obtains control of as and when the service is provided; (ii) the Group constructs an asset that has no other use (e.g. it is client-specific) and has an enforceable right to payment for the service performed to date in case of termination by the client.

The Group applies the costs incurred method to measure progress. The percentage of completion is based on the costs incurred on the date considered compared with the total estimate of costs on termination of the contract. The estimate of the total costs of the contract is reviewed if new information has come to light. Changes in the estimate of the corresponding percentage of completion are recognised in the income statement as adjustments to revenue in the period in which the items giving rise to the revised estimate became known.

Contract costs based on deliverables are recognised as expenses when they are incurred.

The Group contractually acquires the right to issue a bill on achievement of specified milestones or on the client's acceptance of the work performed.

The difference between accumulated billing and recognised accumulated revenue is reflected in the consolidated statement of financial position under contract assets (if the revenue exceeds the amount billed) or contract liabilities (if the amount billed exceeds the revenue).

2.22.2. Infrastructure management, application management and resource outsourcing services

Infrastructure management, application management and resource outsourcing contracts are remunerated on the basis of a fixed price per work unit, or based on monthly fixed prices that can be adjusted in line with changes in volumes or scope. Services are billable on a monthly basis. In certain cases, the contract may include penalties related to the level of service provided.

The contract term is generally between three and 12 months.

In general, revenue from service-based contracts is recognised as and when the Group acquires the right to invoice, except for special cases where the billing procedure does not reflect the value for the client of the services provided to date in relation to the value of the remaining services to be provided. Bonuses or penalties related to the level of service are, where appropriate, fully recognised in the period in which the performance targets are met or missed, as the case may be.

The amounts initially received from clients are, where appropriate, deferred and staggered over the period of the services, even if they are non-refundable. Initial amounts payable to clients, if they exceed the fair value of the assets transferred by the client, are capitalised (presented as contract assets) and depreciated over the contract period as a deduction from revenue.

2.22.3. Sales of licences, maintenance contracts, provision of SaaS applications and other software sales

If supplying a licence is identified as a distinct performance obligation, control can be transferred to the client at a specific point in time (right of use) or gradually (right of access).

The sale of software in SaaS mode gives rise to a right of access. In this situation, revenue is recognised as and when the client receives and uses the benefits of the service.
Conversely, in case of a right of use being granted, the revenue of the licence will be recognised on delivery if it complies with all the obligations stipulated in the contract.

Maintenance contracts (including updates and technical support) are concluded when the client acquires the licence for the underlying software.
Such contracts can be renewed by the client at the end of each fixed term. Maintenance revenue is recognised on a straight-line basis over the term of the contract, with the Group having a constant duty to provide its services.

Services to develop additional functionality commissioned by the client for standard products are recognised on a percentage-of-completion basis, taking account of the contractual limitations preventing the Group from aiming the product at another client and of the enforceable right to payment for the work performed.

Revenue from other software sales mainly relates to the development of additional features requested by clients for standard products, and is recognised once this is completed. Recurring revenue from subscriptions and support is recognised in "software sales".

Revenue from agreements with multiple performance obligations, which generally include licences, support and/or services, is allocated to each distinct performance obligation based on their specific sale price.

2.22.4. Resale activities

If analysis of a contract makes it possible to identify the purchase of goods or services for resale as a distinct performance obligation, it should be determined whether the Group is acting as an agent or as a principal.

It is an agent if it is not liable to the client for the performance of the service and its acceptance by this client, if it has no transformative impact on the goods or services and if it does not bear any inventory risk. In this situation, it recognises the revenue for a net amount corresponding to its margin or commission. Otherwise, if it takes control of the goods or services before they are resold to the end client, it is acting as a principal. Revenue is recognised on a gross basis and external purchases are fully recognised as operating expenses.

2.22.5. Multi-component contracts

A performance obligation must be distinguished from other obligations if the following two conditions are met simultaneously:

- First and foremost, the underlying goods or services must be distinct in absolute terms. They can be sold on their own or the client can benefit from them through resources readily available on the market.
- The goods or services must be distinct in the context of the contract, which requires the transformative relationship between the various goods and services in the contract to be analysed. This relationship does not exist if the goods or services in question are not used to produce the other goods or services that are the subject of the contract, if they do not substantially alter or adjust other goods or services promised in the contract or if they are not closely related or are heavily dependent on other goods or services promised in the contract.

If several separate performance obligations are identified within a single contract, the specific sale prices of those obligations are deemed to be the contractual sale prices.

2.22.6. Variable considerations

Variable considerations relate in particular to the provision of SaaS software and services provided on a cost-plus basis. Part of the variable remuneration corresponds to the price per work unit multiplied by the number of work units (number of incident tickets, number of users, number of servers, volumes of processed data, etc.) used by the client during each reference period.

2.22.7. Costs of obtaining contracts

The costs of obtaining a contract are recognised in assets if two conditions are met: they would not have been incurred if the contract had not been obtained, and they are recoverable.

They may relate to sales commissions if they are specifically and solely related to obtaining a contract, i.e. they have not been paid on a discretionary basis. Commissions are not capitalised if the depreciation period is one year or less.

2.22.8. Costs of executing contracts

Costs incurred prior to the signing of an enforceable contract are capitalised only if they are directly attributable to the design or implementation phase of a specifically identified contract, if the contract is likely to be signed and the costs can be recovered under the contract.

Costs incurred for the performance of a contract are recognised as expenses when they are incurred, except for certain up-front implementation costs, such as transition and processing costs, where the latter do not represent a separate performance obligation, which are capitalised if they create a resource that the Group will use to provide the promised services. An "onerous contracts" provision is recognised if the unavoidable costs of performing the contract outweigh the relevant benefits.

2.22.9. Presentation in the consolidated statement of financial position

The Group provides counter-performance in exchange for products or services transferred to a client in the form of either trade receivables or contract assets. A receivable is an unconditional counter-performance, unlike a contract asset, which is a counter-performance conditioned by factors other than the passage of time.

The majority of the Company's contract assets arise from amounts not invoiced on fixed-price service contracts, when the recognised revenue exceeds the amount billed to the client, and when counter-performance is subordinated to achievement of a milestone or subjected to the client's acceptance.

The billing amount exceeding the recognised revenue is presented in contract liabilities.

2.22.10. Financing components

A financing component included in the transaction price is identified if it is significant and if the period between the completion of the service and payment for this service is greater than 12 months or if the time curve for the completion of services diverges significantly from that laid down by the rules and regulations. The Group has not identified any contracts with a significant financial component.

The Group applies the simplification measure provided for by the standard, meaning that the price does not have to be adjusted when the time lag does not exceed 12 months.

2.23 Distribution of dividends

The dividends to be distributed to the shareholders of the parent company are recognised as a liability in the Group's financial statements in the period in which the dividend distribution was approved by the General Meeting of Shareholders, until the payment thereof.

2.24 Earnings per share

Earnings per share are calculated by dividing profit or loss (attributable to the shareholders of the parent company) by the weighted average number of ordinary shares in circulation during the year. Own shares are ignored in the calculation of earnings per share or diluted earnings per share.

The diluted earnings per share are calculated by dividing profit or loss (attributable to the shareholders of the parent company) by the average weighted number of ordinary shares in circulation, plus all dilutive potential ordinary shares (subscription options, warrants, etc.), less own shares.

A share subscription plan is considered dilutive when it results in the issue of ordinary shares at a price lower than the average market price during the year.

2.25 Share capital

2.25.1. Ordinary shares

Ordinary shares are classified as equity instruments. Ancillary costs directly attributable to the issue of ordinary shares or share options are recognised as a deduction from equity, net of taxes.

2.25.2. Own shares

All of the own shares held by the Group are recognised at their acquisition cost taken from equity. The income (or expense) from any disposal of own shares is charged directly to the increase (or decrease) of equity (net of taxes), so that any gains or losses do not affect the profit or loss for the year.

2.26 Employee benefits

2.26.1. Short-term benefits

Expenses relating to short-term benefits comprise gross pay, social security contributions, paid leave and other short-term benefits.

They are recognised as an expense in the period in which the services are rendered by the staff. Sums unpaid as at the reporting date are recognised in 'Other current liabilities'.

2.26.2. Defined-contribution pension plans

Expenses relating to defined-contribution pension plans are recognised in profit or loss on the basis of contributions paid or payable for the year in which the associated services were rendered by the beneficiaries. Sums unpaid as at the reporting date are recognised in 'Other current liabilities'.

2.26.3. Defined-benefit pension plans

Defined-benefit pension plans are post-employment benefit plans other than defined-contribution plans, including mainly retirement obligations defined by collective agreements or company-level agreements with employees based in Greece and France.

The Group's commitments relating to defined-benefit plans are measured using a single actuarial technique, called the "projected unit credit method".
This method is based mainly on a projection of future pension levels payable to employees, anticipating the impact of their future salary increases, and on specific assumptions, detailed in Note 21, which are updated periodically by the Group.

The Group does not outsource the management or financing of retirement benefits to an outside fund.

2.26.4. Compensation for termination of employment contract

Termination benefits are recognised as an expense when the Group is demonstrably engaged, without any real possibility of withdrawing, in a formal, detailed plan either for dismissal prior to the normal retirement date or offers encouraging voluntary retirement with a view to reducing staff numbers.

NOTE 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing consolidated financial statements, management issues judgements, performs estimates and formulates assumptions likely to have an impact on the amount of assets, liabilities, income and expenses recognised in the consolidated financial statements, as well as on the information in the notes on contingent assets and liabilities as at the reporting date.

3.1 Critical judgements made in connection with applying accounting policies

The following analysis presents the critical judgements made in connection with applying the Group's accounting principles, excluding those which involve estimates, having the most significant impact on the amounts recognised in the consolidated financial statements.

3.1.1. Impact of the disposal of the GRC business on the presentation of the income statement

On 26 February 2022, two Group subsidiaries, namely Sword Soft Limited and Sword Co-Investment Fund SCSp, signed a Sales and Purchase Agreement (SPA) with Riskonnect, providing for the disposal of the GRC business effective 21 April 2022.

Although the GRC activities represent a material share (99% as at 31 December 2021) of the "Software" segment, the disposal was not shown on a separate line of the income statement, entitled "Net profit (loss) from discontinued activities", which includes income generated by the discontinued activity and expenses directly attributable to the activity, net of tax, for the entire period being presented and the profit (loss) on disposal resulting from the derecognition of the assets and liabilities disposed of.

As such, for the disposal of the GRC activity to be able to be presented as a discontinued activity under IFRS 5, the following conditions need to be met:

- the disposal group (including both the assets to be disposed of and any related liabilities) is a component of the Group; and
- this disposal group represents a separate major line of business or geographical area of operations.

Prior to the end of the year ended 31 December 2022, the Group's management team reviewed the conditions for classifying a business as discontinued and concluded that the disposal of the GRC business did not constitute the discontinuation of a separate major line of business, for the following reasons:

- the disposal is not the result of a change of strategy or a decision to discontinue a business, since the Group was approached by a group that specialises in mergers and acquisitions at a time when it had not actively begun to search for a buyer and it was in the process of implementing an investment plan;
- the Group continues to grow its "Software" business;
- the "Software" business is still regularly monitored as part of the Group's management activities; and

- the Group's strategy includes carrying out M&A activity to support organic growth, resulting in one or more acquisitions or disposals each year, without any discontinuation of the Group's historical business lines, namely IT services and software.

Please refer to Notes 9 and 12 for an assessment of the impact of the disposal of the GRC activities on the Group's main aggregates.

3.1.2. Changes made to operating segments

Segment information is based on the Group's internal management structure.

As required by IFRS 8, segment information is based on internal management data used by the Chairman and Chief Executive Officer of Sword Group, the Group's chief operating decision maker (CODM).

For the financial years ended 31 December 2021 or earlier, the operating segments presented by the Group were based on business components, i.e. the "IT Services" segment and the "Software" segment.

Following the introduction of employee stock ownership plans in the United Kingdom, the Belux region and Switzerland, internal management reports were revised to reflect both the "Business" dimension and the "Geographical segment" dimension, given that only those segments that generate more than 10% of revenue or 10% of net profit are presented in accordance with the requirements of IFRS 8.

For the year ended 31 December 2022, the "Services" dimension, which is split into three geographical regions, and the "Software" dimension were designated as key focuses of analysis by the CODM. As a result, and in accordance with the provisions of IFRS 8, the Group has the following operating segments:
- Services/United Kingdom
- Services/Belux
- Services/Switzerland
- Software

For the year ended 31 December 2021, the operating segments have been restated to take account of the above-mentioned changes.

3.1.3. Breakdown of revenue

Following the disposal of the GRC business, the Group's management team took the view that the breakdown of revenue for the period ended 31 December 2022 should be reviewed to provide relevant information. The comparative data has been restated accordingly. See Note 7.

3.1.4. Revenue recognition

The Group's management makes judgements in applying IFRS 15, in particular in assessing the distinctness or otherwise of the undertakings contained in a contract and the classification as an agent or a principal.

Distinctness or otherwise of goods or services

A judgement must be made when assessing the distinctness or otherwise of the undertakings contained in a contract.

If an activity classified as a pre-production activity (such as configuration, testing or design) generates income, the Group's management assesses whether this activity is distinct in the context of the contract.

If there are strong interdependencies between the execution of the pre-production and production phases, the Group considers that the two phases are not distinct in the context of the contract and therefore constitute a single performance obligation.

The entity will then have to determine a single method for measuring percentage of completion for the purposes of the performance obligation, covering all pre-production and production phases.

On the other hand, if the pre-production phase can be considered to be distinct in the context of the contract, it will be treated as a separate performance obligation.

In the case of SaaS contracts, the contract allows the client to have Internet access to computer processing functions hosted by the Group. The contract generally provides for an implementation phase and an operation phase.

In this case, the licence is not distinct from the hosting service since the client cannot derive any benefit from the licence without the service providing continuous access to the entity's Internet platform. A judgement must be made when assessing whether the initial implementation service is distinct from the continuous access service. The Group considers that activities which are not separable from the initiation of the continuous access service, which are essential for enabling the client to access the continuous service and which can only be performed by the entity do not represent a distinct service provided to the client.

Classification as an agent or a principal

For the classification as an agent or a principal, the Group uses indicators such as the Group's responsibility to meet its undertakings to the end client, any transformative action performed by the Group with regard to sold goods or services and the inventory risk and, where appropriate, in the case of goods and services sold separately, the freedom to set prices. In any case, it is necessary to make a judgement and to take into consideration all the facts and circumstances specific to each transaction, bearing in mind that only the intermediation margin is recorded in revenue if the Group acts as an agent.

3.1.5. Term of leases

The lease liability is recognised as an amount equal to the present value of the leases over the term of the contract.

The term of the contract mainly takes into account the period thereof that cannot be terminated. The Group adjusts this, as appropriate, by adding the period associated with a renewal or extension option that could be exercised or, conversely, by deducting the period which has become surplus to requirements after an early termination option has been exercised in the event that the associated penalties (contractual penalties and economic costs of abandonment) would be more than negligible. For real estate leases with such a clause, management considered that the associated penalties were negligible and that the term to be taken into account by the Group should be limited to the fixed term of the lease.

Real-estate leases are generally concluded for a term of nine to 15 years. Meanwhile, the average contractual term of a car-rental lease is three years.

3.1.6. Financial transactions involving managers in certain subsidiaries

The Group's management assessed the nature and scope of share subscription and repurchase transactions in an internal fund established by the Group involving managers in certain subsidiaries (hereinafter "Co-investors") within the framework of an employee stock ownership plan (see Note 10.2.3) and concluded that the transactions in question are financial transactions and that therefore eligible persons are not remunerated for services provided in their capacity as employees. Therefore, IFRS 2 does not apply.

This conclusion is based on compliance with the following criteria:

- the Co-investors acquired shares at a price reflecting market conditions;
- the shares issued will be repurchased at a price reflecting market conditions, exposing them to the risk of a loss of capital during the holding period;
- no conditions or incentives (i.e. service conditions, performance conditions or early departure provisions) are attached to the shares; in this regard, the Co-investors are entitled to the shares until the repurchase date, whether they are still in place or leave in the meantime;
- the Co-investors are required to make up any shortfall up to the maximum unfunded commitment to allow the internal fund to repay Sword Group SE for any loans.

In some cases, put options have been granted to Co-investors, allowing them to reduce their participation at market conditions in advance. According to management, the granting of such options does not result in the re-characterisation of financial transactions, as the Co-investors involved remain exposed to a risk of loss for the shares they hold.

3.2 Main sources of uncertainty about estimates

The estimates and assumptions which could have an impact on the amounts of assets and liabilities as at the reporting date as well as on the consolidated financial statements are liable to change over time.

3.2.1. Goodwill impairment testing

Goodwill is subject to impairment testing at least annually, in accordance with the accounting principles set out in Note 2.11. The CGUs' recoverable amounts are determined on the basis of the calculation of their value in use and, where appropriate, their fair value less costs to sell.

The CGUs' value in use is determined using the discounted future net cash flows method, which is influenced by parameters such as estimated medium- and long-term revenue growth, expected rate of profitability and discount rate applied. The main assumptions selected by the Group for performing tests are presented in Note 13. Any change to these assumptions could have a significant impact on the recoverable amount.

3.2.2. Measurement of intangible assets arising from business combinations

The Group uses valuation techniques and assumptions to determine the fair value of intangible assets arising from a business combination. The valuation techniques and assumptions used are described in Note 5. The adoption of a different valuation model and any change to underlying variables could have a significant impact on the value attributed to these assets.

3.2.3. Useful life of intangible assets acquired in business combinations

Depreciable intangible assets acquired in business combinations are valued and depreciated taking into account their useful life forecast by the Group.

Uncertainties regarding these estimates are related mainly to the technical obsolescence that could affect software intended for sale or leased under SaaS arrangements and to the erosion rate of clients or contract renewals that could impact assets such as contracts to deliver Software as a Service (SaaS), support contracts and, where appropriate, client relations.

3.2.4. Intangible assets with indefinite lives

The Group is of the opinion that the fee paid by the Group to the former majority shareholder in Tipik to cancel a restraint of trade agreement (see Note 14) is comparable to an open-ended operating licence granted to the Group, an authorisation without which the Group would be unable to generate any cash flow within the scope of business activities subject to the restraint of trade agreement.

Consequently, the fee paid was classified as an asset with an indefinite useful life that is subject to impairment testing at least once a year.

3.2.5. Recognition of deferred tax assets

Deferred tax assets can be recognised only in so far as the tax losses recorded can be used to reduce the tax burden on taxable profits. The Group's management use budgets and medium-term growth and profitability assumptions to recognise deferred tax assets. A downward revision of the projections established by management can significantly influence the recoverable nature of deferred tax assets.

3.2.6. Revenue recognition

Group management makes estimates for the application of IFRS 15, in particular for the measurement of the percentage of completion of ongoing performance obligations satisfied over time.

For each ongoing performance obligation satisfied over time, in particular consulting and engineering contracts based on deliverables and remunerated on a fixed-price basis, revenue is recognised as and when services are provided, using methods based on progress evaluation inputs. According to these methods, income is recognised on the basis of the efforts already made or the inputs already used by the entity, such as hours of work or expenses incurred, compared with the estimated total for the inputs required to meet the performance obligation.

3.2.7. Measurement of expected credit losses on trade receivables and work in progress

The Group measures the relative importance of expected credit losses on the basis of historical net losses recognised in profit or loss over a three-year period. If the historical net losses (expressed as a percentage of revenue) are deemed significant, the Group uses a provision matrix to determine differentiated loss rates based on the age of the receivables outstanding as at the reporting date, except where receivables are individually measured using a statistical model to determine the probability of default.

Average net historical losses over a three-year period represented 0.1% (2021: 0.4%) of the average revenue calculated for the period under consideration.

Although the estimates provided above are based on historical data, the Group's management believes it is very unlikely that they will differ significantly from the actual losses that could be recorded in 2022.

3.2.8. Measurement of commitments to repurchase non-controlling interests

The fair value of the commitments to repurchase shares subscribed by minority shareholders/co-investors following the adoption of employee stock ownership plans (see Note 10.2) is based on an EBIT multiple or a formula combining EBIT multiple and revenue multiple, applied to a share of the securities issued by the subsidiaries in question, whereby this share is characterised as an underlying investment and serving as a measurement basis for these plans, adjusted to take account of the discount effect. The estimate of the fair value of the price to be paid calculated on the basis of revenue forecasts and profit margin is likely to deviate from the price that will actually be paid at maturity for the repurchase of the shares.

NOTE 4. FINANCIAL RISK MANAGEMENT POLICY

The Group is exposed to credit risk, liquidity risk and market risk (including interest-rate risk and foreign-currency risk) with respect to the use of financial instruments. Financial risk management is handled by the Finance Department and consists of minimising the potentially unfavourable impact of these risks on the Group's performance. This note gives information on the Group's exposure to various risks as well as on how the Group addresses and manages these risks.

4.1 Credit risk

The credit risk is the Group's risk of financial loss if a client or any other counterparty of a financial instrument is inadequate in the performance of its obligations. The main credit risk identified by the Group pertains to trade receivables, accrued income for work in progress and cash in financial institutions.

The Group's maximum exposure to credit risk by category of financial asset can be analysed as follows:

(in thousands of €)	**31 December 2022**	**31 December 2021**
Trade and other receivables	32,173	32,415
Work in progress	35,627	21,727
Other assets	15,716	7,780
Cash and cash equivalents	57,138	55,295
TOTAL	**140,654**	**117,217**

In addition to the credit risk exposure involved in holding financial assets, i.e. trade receivables and cash, there is the risk of default represented by accrued income for work in progress, the balance of which stood at €35,627,000 as at 31 December 2022 (compared with €21,727,000 as at 31 December 2021).

The Group rigorously selects its counterparties on the basis of their credit standing, measured on the basis of multiple criteria including ratings from agencies and financial ratios.

In addition to the clients' acceptance conditions, the Group's Finance Department determines the maximum payment deadlines and sets client credit limits applied by the business units.

Client credit risk is managed by the Finance Department of each Group entity. Trade receivables due are reviewed regularly at each reporting date by the business units. Each significant delayed payment is monitored and, if necessary, made the subject of an action plan.

As a simplification measure, under Group policy, receivables that have been outstanding for more than 90 days must be fully provisioned unless the Group has reliable information (time limits imposed when awarding a public procurement contract, for example) indicating that full or partial recovery is possible, in which case the provisioned amount is adjusted.

In addition to losses recognised on the basis of objective loss indicators, the Group estimates the risk of expected credit losses that should be provisioned on the basis of historical default data (see Note 3.2.7).

As at 31 December 2022 (in line with the position as at 31 December 2021), no provision was recognised for expected losses, given the non-significant nature of the historical losses expressed as a function of revenue.

The Group's Finance Department regularly reviews trade receivables on the basis of aged balances.

The Group's trade receivables classified by client category are as follows:

(in thousands of €)	31 December 2022	31 December 2021
State-owned companies	31,141	27,862
Large companies and multinationals	33,332	20,132
SMEs	4,866	7,559
TOTAL	**69,339**	**55,553**

There is no significant concentration of credit risk at Group level on the basis of trade receivables as at 31 December 2022 (also reflecting the position as at 31 December 2021).

No client accounts for more than 10% of the Group's revenue. The top 10 clients together account for 41% of the Group's revenue (compared with 40% in 2021).

See Note 18 for more information about credit risk exposure such as the breakdown of "Trade and other receivables", aged balances and details of the change in allowance for doubtful accounts.

Cash, cash equivalents and short-term investments are invested with seven financial institutions having an S&P rating of AA- or higher. With respect to managing its cash surpluses, the Group adopts a cautious short-term investment policy. Given the default-risk exposure that is considered insignificant, these assets have not been subject to allowances for expected credit losses within 12 months.

4.2 Liquidity risk

The liquidity risk is the risk that the Group will not be able to meet its financial obligations.

The Board of Directors of the Parent Company is ultimately responsible for managing liquidity risk. It has established a framework for managing this risk based on proposals set out by the Group's Finance Department.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, closely monitoring projected and actual cash flows and adjusting, if necessary, the maturities of financial assets and liabilities. The details of the lines of credit available to the Group to further reduce its liquidity risk are described in Note 23.3.

The Group's Finance Department has established tools for monitoring projected cash flows for each of the Group's business units, enabling it to manage the liquidity risk with full knowledge of the situation.

The tables below provide an analysis by class of maturity, according to the amount of time until the contractual maturity date, of the Group's non-derivative financial liabilities.

The tables were prepared on the basis of undiscounted cash flows according to the earliest date by which the Group could be required to make a payment. These flows can differ from the carrying amounts of the assets and liabilities in question as at the reporting date.

The tables include cash flows related to interest and the principal. In so far as interest flows are floating rate, the undiscounted amount is obtained on the basis of market conditions prevailing as at the reporting date.

As at 31 December 2022 and 31 December 2021 respectively, the contractual maturities for the Group's financial liabilities (including interest payments) were as follows:

As at 31 December 2022

(in thousands of €)	**<1 year**	**>1 year, <2 years**	**>2 years, <3 years**	**>3 years, <5 years**	**>5 years**	**TOTAL**
Bank overdrafts	(467)	-	-	-	-	(467)
Bank loans and lines of credit	-	-	-	(18,000)	-	(18,000)
Lease obligations	(3,033)	(2,840)	(2,234)	(2,892)	(1,768)	(12,767)
Trade and other payables	(24,583)	-	-	-	-	(24,583)
Other liabilities	(367)	(69)	-	-	-	(436)
Commitments to repurchase securities held by minority shareholders/Co-investors (*)	(11,937)	(6,619)	(25,200)	-	-	(43,756)
Contingent considerations	(9,176)	-	(400)	(200)	-	(9,776)
TOTAL	**(49,563)**	**(9,528)**	**(27,834)**	**(21,092)**	**(1,768)**	**(109,785)**

As at 31 December 2021

(in thousands of €)	**<1 year**	**>1 year, <2 years**	**>2 years, <3 years**	**>3 years, <5 years**	**>5 years**	**TOTAL**
Bank overdrafts	(278)	-	-	-	-	(278)
Lease obligations	(2,784)	(1,731)	(1,472)	(1,898)	(1,119)	(9,004)
Trade and other payables	(24,963)	-	-	-	-	(24,963)
Other liabilities	(452)	(107)	-	-	-	(559)
Commitments to repurchase securities held by minority shareholders/Co-investors (*)	(15,929)	(9,650)	(6,838)	(32,287)	-	(64,704)
Contingent considerations	(1,813)	-	-	-	-	(1,813)
TOTAL	**(46,219)**	**(11,488)**	**(8,310)**	**(34,185)**	**(1,119)**	**(101,321)**

(*) Net of receivables worth a total amount of €10,625,000 (2021: €25,779,000), which is the subject of netting arrangements (see Note 10.3). Where Co-investors can request the early repurchase of their shares in Sword Co-Investment Fund SCSp on an annual basis, the repurchase commitments, net of receivables, have been classified at the most likely repayment date.

4.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to developments in market prices. The market risk arises from open positions in foreign currencies and interest-bearing assets and liabilities.

4.3.1. Foreign-currency risk

Exposure to foreign-currency risk arises from sales and purchases made by the Group abroad, mainly denominated in US dollars, pounds sterling and Swiss francs, and the resulting outstandings.

With a view to managing its exposure to foreign-currency risk, the Company's Board of Directors adopted limits for each currency and each maturity, pursuant to a proposal by the Finance Department.

With a view to mitigating the Group's exposure to such risk, the Group's net foreign-currency positions classified by maturity, both real and estimated on the basis of budgets and financial forecasts, are monitored and foreign-exchange spot or forward contracts are concluded, where appropriate, to comply with the limits set.

The table below shows the carrying amounts of monetary assets and liabilities denominated in foreign currencies as well as the overall net position for each currency as at the reporting date. Non-significant currencies as at the reporting date have been grouped together.

	Assets		Liabilities		Net	
(in thousands of €)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Pound sterling	72,497	76,677	(42,772)	(39,200)	29,725	37,477
US dollar	7,056	7,079	(2,049)	(3,957)	5,007	3,122
Swiss franc	65,565	45,417	(22,826)	(33,436)	42,739	11,981
Other	3,035	8,251	(943)	(6,990)	2,092	1,261

The table below illustrates the sensitivity of profit or loss and equity to fluctuations against the euro of exchange rates applied to the Group's financial assets and liabilities denominated in foreign currencies and held by the Group as at the reporting date, i.e. the Group's net position in the currency, with all other variables remaining constant.

It assumes a fluctuation in the exchange rate in line with the historical volatility of exchange rates on the market, calculated on the basis of the previous 12 months.

(in thousands of €)	31 December 2022			31 December 2021		
Currency	**Exchange-rate changes**	**Impact on earnings**	**Impact on equity**	**Exchange-rate changes**	**Impact on earnings**	**Impact on equity**
Pound sterling	5%	1,015	1,904	4%	388	2,269
US dollar	9%	283	545	5%	120	241
Swiss franc	6%	916	2,523	4%	78	1,065

The above exchange-rate changes represent management's best estimate, bearing in mind historical volatility within one year.

4.3.2. Interest-rate risk

The Group's financial debt mainly consists of commitments to repurchase shares under employee stock ownership plans (Note 10.2) and lease liabilities.

The Group does not expect a reasonable change in interest rates to have a material impact on the fair value of the lease obligations or on the repurchase commitments. Similarly, the Group does not expect such a change to have a direct and material impact on the cash flows associated with the repurchase commitments, as the discount rate is not the main component of the valuation model.

In addition, the Group has lines of credit to support its growth, with outstanding balances subject to variable rates of interest. The applicable variable rates are calculated on the basis of a reference rate (Euribor, for example), which cannot fall below 0%, to which a margin is added. However, the effects of rising interest rates are considerably mitigated by the introduction of a "cap" contract, effective 16 December 2022, to hedge the Group against an increase in interest rates above a predetermined level (cap), subject to the immediate payment of a premium. This derivative runs for a period of 24 months, with a cap of 3% and a hedge with a notional value of €25 million.

As at 31 December 2022, the bank loan amounted to €18,000,000 (2021: nil). See Note 23.

To avoid negative interest rates being applied to its cash at bank, the Group has negotiated thresholds with its bank counterparties below which the invested amounts are not subject to negative interest rates and takes care to diversify its investments to ensure it is not penalised.

4.4 Capital management

The Group manages its capital in such a way that it can ensure ongoing operations while maximising return for stakeholders by optimising the gearing ratio (net debt to equity).

The Group is not subject to any external capital requirements, apart from complying with the financial ratios imposed by the banks (see Note 23.3).

As at 31 December 2022 and 31 December 2021, the financial structure ratio was as follows:

(in thousands of €)	**31 December 2022**	**31 December 2021**
Lease obligations	(12,767)	(9,004)
Bank loans and lines of credit	(18,000)	-
Debts related to commitments to repurchase securities held by minority shareholders/Co-investors (*)	(43,756)	(64,704)
Cash and cash equivalents	56,671	55,017
Net cash	**(17,852)**	**(18,691)**
Equity	101,544	94,328
NET DEBT RATIO	**-17.58%**	**-19.81%**

(*) *Net of any loans made directly to Co-investors*

Net debt, as presented above, consists of lease obligations, bank loans and lines of credit, and debt related to the repurchase of securities held by minority shareholders/Co-investors, less cash and cash equivalents. As indicated in Note 4.2, the share of lease obligations, bank loans and lines of credit, and debt related to the repurchase of securities maturing in less than one year amounts to €14,970,000.

NOTE 5. FAIR-VALUE MEASUREMENT

5.1 Fair-value hierarchy

To reflect the importance of the data used in fair-value measurements, the Group classifies these measurements on the basis of a two-tier hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability in question, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The tables below provide an analysis of assets and liabilities recognised at fair value in the balance sheet by hierarchical level.

(in thousands of €)	**Level 1**	**Level 2**	**Level 3**	**Total as at 31 December 2022**
Assets at fair value				
Financial assets at fair value through profit or loss				
Derivatives	-	278	-	278
TOTAL ASSETS AT FAIR VALUE	**-**	**278**	**-**	**278**

(in thousands of €)	**Level 1**	**Level 2**	**Level 3**	**Total as at 31 December 2022**
Liabilities at fair value				
Financial liabilities at fair value through other comprehensive income				
Contingent considerations on acquisitions	-	-	9,776	9,776
Commitments to repurchase securities held by minority shareholders/Co-investors (*)	-	-	43,756	43,756
TOTAL LIABILITIES AT FAIR VALUE	**-**	**-**	**53,532**	**53,532**

(*) *Net of any loans made directly to Co-investors*

(in thousands of €)	**Level 1**	**Level 2**	**Level 3**	**Total as at 31 December 2021**
Assets at fair value				
Financial assets at fair value through other comprehensive income				
Shares in Coexya Group	-	-	3,011	3,011
Financial assets at fair value through profit or loss				
Contingent considerations on sale	-	-	6,060	6,060
TOTAL ASSETS AT FAIR VALUE	**-**	**-**	**9,071**	**9,071**

(in thousands of €)	**Level 1**	**Level 2**	**Level 3**	**Total as at 31 December 2021**
Liabilities at fair value				
Financial liabilities at fair value through other comprehensive income				
Contingent considerations on acquisitions	-	-	1,813	1,813
Commitments to repurchase securities held by minority shareholders/Co-investors (*)	-	-	64,704	64,704
TOTAL LIABILITIES AT FAIR VALUE	**-**	**-**	**66,517**	**66,517**

(*) *Net of any loans made directly to Co-investors*

Should a fair-value level transfer be necessary, the Group would change the classification (bearing in mind the consequences in terms of measurement) on the date of the triggering event or on the date of the change of circumstances leading to the transfer. There was no transfer between Levels 1 and 2 during the year.

5.2 Measurement techniques

5.2.1. For business combinations, transactions with minority interests and sales of subsidiaries

Intangible assets

The fair value of software for third parties, SaaS contracts, software maintenance contracts, order books and client relations acquired in a business combination is calculated using the most appropriate method under the circumstances, including the multi-period excess earnings method, which consists of measuring the asset in question after deducting a reasonable return for the other assets generating cash flows. The valuation is a function of variables such as the rate of technological obsolescence, the client erosion rate (or the contract renewal rate) and the discount rate.

Contingent considerations (liabilities) in connection with business combinations and other acquisitions

The explanations below provide details of the techniques for measuring the fair value of contingent considerations (liabilities) and the main unobservable inputs used. Contingent considerations are classified as Level 3 of the fair-value hierarchy taking account of the use of unobservable inputs specific to the companies/interests acquired.

Ping Network Solutions Ltd

Measurement technique	Main unobservable inputs	Estimated values (2022)
EBITDA multiple, calculated as at 31 January 2023 and 31 January 2024	- Annual revenue growth rate for 2023 - Annual revenue growth rate for 2024 - EBITDA margin for 2023 - EBITDA margin for 2024	72% 20% 15% 17%

The estimated fair value for Ping Network Solutions Ltd is expected to evolve in line with the revenue growth rate, given a probability considered to be high that the EBITDA margin (expressed as a percentage of revenue) will remain stable.

A change of +10% in revenue would result in an €891,000 increase in the contingent consideration relating to Ping Network Solutions Ltd as at 31 December 2022. A change of -10% in revenue would result in an €832,000 decrease in the contingent consideration relating to Ping Network Solutions Ltd as at 31 December 2022. The above information does not include any discounting, the impact of which is not considered to be material.

Phusion IM Limited

Measurement technique	Main unobservable inputs	Estimated values (2022)
EBITDA multiple, calculated over 12 months from 1 July 2022	- EBITDA margin	25%

A change of +10% in EBITDA would result in a €254,000 increase in the contingent consideration relating to Phusion IM Limited as at 31 December 2022. A change of -10% in revenue would result in a €254,000 decrease in the contingent consideration relating to Phusion IM Limited as at 31 December 2022. The above information does not include any discounting, the impact of which is not considered to be material.

Lemonade Software Development S.L.

The fair value of the additional payment, payable in two instalments, the first in 2024 and the second in 2025, for the acquisition of 49.96% of the share capital of Lemonade Software Development S.L. depends on the growth in revenue, EBIT margin and cash position over a period of three years prior to the year of settlement, as shown in the table below.

Measurement technique	**Main unobservable inputs**	**Range of estimated values (2022)**
Technique combining an EBIT multiple and a revenue multiple	- Annual revenue growth rate - EBIT margin	8.62% - 15% 6.95% - 8.31%

The estimated fair value is expected to increase if the annual revenue growth rate goes above current estimates and the EBIT margin (expressed as a percentage of revenue) remains stable or increases.

A 25% increase or decrease in the revenue growth rate, assuming that the EBITDA margin remained constant, would not have a material effect on the contingent consideration due as at 31 December 2022. Similarly, a 10% increase or decrease in the margin rate (EBIT), assuming that revenue remained constant, would not result in any material change in the contingent consideration due as at 31 December 2022.

AiM Services Holding S.A. (AiM)
The fair value of the additional payment for AiM is based on the best estimate of the number of contracts signed from the acquisition date until 31 March 2022 and the share of the sale price to be returned to the seller for the disposal of non-core activities. The additional payment was revalued during the 2022 financial year, in view of the number of contracts signed, which was higher than anticipated.

Contingent considerations (assets) in connection with sales
The table below lists the techniques for measuring the fair value of contingent considerations (assets) and the main unobservable inputs used. Contingent considerations are classified as Level 3 of the fair-value hierarchy taking account of the use of unobservable inputs specific to the companies/interests sold.

Sword Sol

Measurement technique	**Main unobservable inputs**	**Estimated values**
		2021
EBITDA multiple and revenue multiple, calculated as at 31 December 2020 and 31 December 2021	- Annual revenue growth rate - EBITDA margin	12.0% 12.6%

The fair value was estimated at €6,060,000 as at 31 December 2021, based on the annual revenue growth rate and the EBITDA margin (expressed as a percentage of revenue) set out above.

During the 2022 financial year, the additional payment communicated by the purchaser of Sword Sol was determined to be €1,980,000, all of which had been paid as at 31 December 2022.

As the Group had valued the contingent consideration receivable (see Note 19) at €6,060,000 as at 31 December 2021, a capital loss of €4,080,000 was recognised in the income statement for the year ended 31 December 2022 under "Income from disposals of assets and subsidiaries". Based on the information provided by the purchaser, this capital loss can be principally explained by the deterioration in the revenue growth rate, which fell from 12% to 6%, and by the fall in the EBITDA margin following the recognition of losses at completion on fixed-price projects.

Commitments to repurchase securities held by minority shareholders (also reported as "non-controlling interests")/Co-investors

The repurchase commitments are included at their fair value in the consolidated statement of financial position. The table below lists the techniques used for measuring both the fair value of debt related to commitments to repurchase securities held by minority shareholders/Co-investors and the main unobservable inputs used by the Group. Debts are classified as Level 3 of the fair-value hierarchy taking account of the use of unobservable inputs specific to the subsidiaries involved.

Company	**Measurement technique**	**Key unobservable inputs**	**Range of estimated values**	
			2022	**2021**
Sword Co-Investment Fund	EBIT/EBITDA multiple or average of an EBIT/EBITDA multiple and a revenue multiple	- Annual revenue growth rate	10.0% - 19.8%	6% - 20%
		- EBIT/EBITDA margin	5.8% - 15.0%	6% - 30%

The estimated fair value is expected to increase if the annual revenue growth rate goes above current estimates and the EBITDA margin (expressed as a percentage of revenue) remains stable or increases.

A change of +25% in the growth rate of revenue generated by investments held by Sword Co-Investment Fund SCSp would result in a €2,464,000 increase in debt related to repurchases of securities held by Co-investors as at 31 December 2022 (2021: €4,450,000), assuming that the EBITDA margin remained constant. A change of -25% in the growth rate would result in a €2,427,000 decrease in debt related to repurchases of securities held by Co-investors as at 31 December 2022 (2021: €4,256,000).

A change of +10% in the margin rate (EBITDA) of investments held by Sword Co-Investment Fund SCSp would result in a €5,813,000 increase in debt related to repurchases of securities held by Co-investors as at 31 December 2022 (2021: €10,525,000), assuming that revenue remained constant. A change of -10% in the margin rate would result in a €4,314,000 decrease in debt related to repurchases of securities held by Co-investors as at 31 December 2022 (2021: €9,734,000).

Gross debt related to repurchases of securities held by Co-investors with an early repurchase clause (31.4% payable by June 2023 at the earliest, with the balance payable after 31 December 2023, where applicable) amounted to €34,942,000 (2021: €61,388,000).

5.2.2. In the ordinary course of business

Financial assets at fair value through other comprehensive income

Equity instruments at Level 1 are measured at the stock-exchange rate as at the reporting date. Other equity instruments belong to Level 3 and are measured on the basis of their net asset, as communicated by the management of the company in question. The Group makes adjustments if it notes, on the basis of the available information, that the net asset differs significantly from the fair value.

Derivative financial instruments

The fair value of the interest rate cap contract (see Note 4.3.2) is determined by discounting estimated future cash flows, taking into account the terms and maturity of the contract and using yield curves observable at the reporting date. For the reasons given above, interest-rate cap contracts are classified as Level 2 of the fair-value hierarchy.

5.3 Reconciliation of Level 3 fair-value measurements

Financial assets at fair value through other comprehensive income

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**3,011**	**2,853**
Disposals/deconsolidations	(4,831)	-
Total gains and losses	1,820	158
BALANCE AS AT YEAR END	**-**	**3,011**
Total gains and losses relating to assets held as at year end	-	158

Total gains and losses relating to assets held as at year end are included in other comprehensive income under "Financial assets at fair value through other comprehensive income - Gain/(loss) related to remeasurement at fair value". The cumulative impact is recorded in "Reserve for remeasurement of financial assets".

Contingent considerations (assets)

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**6,060**	**8,000**
Payments (Note 5.2.1)	(1,980)	(2,427)
Total (losses)/gains	(4,080)	487
BALANCE AS AT YEAR END	**-**	**6,060**
Total losses relating to contingent considerations not due at year end	-	487

Total gains and losses relating to contingent considerations (assets) are included in income for the year under "Income from disposals of assets and subsidiaries".

Contingent considerations (liabilities)/debts related to commitments to repurchase securities held by minority shareholders/Co-investors

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**66,517**	**49,751**
Acquisitions (*)	16,510	21,275
Disposals/payments	(33,684)	(1,158)
Total losses/(gains)	4,189	(3,351)
BALANCE AS AT YEAR END	**53,532**	**66,517**
Total losses relating to contingent considerations/debts related to commitments to repurchase securities held by minority shareholders/Co-investors not due at year end	3,577	1,351

(*) *Net of any loans made directly to Co-investors*

Total gains and losses relating to contingent considerations (liabilities) and debts related to commitments to repurchase securities held by minority shareholders/Co-investors are included in income for the year under "Financial result".

NOTE 6. FINANCIAL ASSETS AND LIABILITIES BY ACCOUNTING CATEGORY

As at 31 December 2022

(in thousands of €)	Financial instruments at depreciated cost	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	TOTAL
ASSETS				
Derivatives	-	278	-	278
Other assets	765	-	-	765
Non-current financial assets	**765**	**278**	**-**	**1,043**
Trade and other receivables	32,173	-	-	32,173
Other assets	12,077	-	-	12,077
Cash and cash equivalents	57,138	-	-	57,138
Current financial assets	**101,388**	**-**	**-**	**101,388**
TOTAL FINANCIAL ASSETS	**102,153**	**278**	**-**	**102,431**
LIABILITIES				
Lease obligations	9,734	-	-	9,734
Other financial debts	18,000	-	-	18,000
Other liabilities	6,982	32,419	-	39,401
Non-current financial liabilities	**34,716**	**32,419**	**-**	**67,135**
Lease obligations	3,033	-	-	3,033
Other financial debts	467	-	-	467
Trade and other payables	24,583	-	-	24,583
Other liabilities	35,587	152	-	35,739
Current financial liabilities	**63,670**	**152**	**-**	**63,822**
TOTAL FINANCIAL LIABILITIES	**98,386**	**32,571**	**-**	**130,957**

As at 31 December 2021

(in thousands of €)	**Financial instruments at depreciated cost**	**Financial instruments at fair value through profit or loss**	**Financial instruments at fair value through other comprehensive income**	**TOTAL**
ASSETS				
Financial instruments at fair value through other comprehensive income	-	-	3,011	3,011
Other assets	743	-	-	743
Non-current financial assets	**743**	**-**	**3,011**	**3,754**
Trade and other receivables	32,415	-	-	32,415
Other assets	977	6,060	-	7,037
Cash and cash equivalents	55,295	-	-	55,295
Current financial assets	**88,687**	**6,060**	**-**	**94,747**
TOTAL FINANCIAL ASSETS	**89,430**	**6,060**	**3,011**	**98,501**
LIABILITIES				
Lease obligations	6,220	-	-	6,220
Other liabilities	107	48,775	-	48,882
Non-current financial liabilities	**6,327**	**48,775**	**-**	**55,102**
Lease obligations	2,784	-	-	2,784
Other financial debts	278	-	-	278
Trade and other payables	24,963	-	-	24,963
Other liabilities	452	17,742	-	18,194
Current financial liabilities	**28,477**	**17,742**	**-**	**46,219**
TOTAL FINANCIAL LIABILITIES	**34,804**	**66,517**	**-**	**101,321**

NOTE 7. BREAKDOWN OF REVENUE

Breakdown by business line	**31 December 2022**	**31 December 2021**
Software	6,590	19,495
IT Services	265,667	195,069
Total	**272,257**	**214,564**

Breakdown by market type	**31 December 2022**	**31 December 2021**
Health, telecommunications and others	34,234	42,691
Insurance and finance	33,670	18,872
Industry	90,769	75,916
Governments/European institutions	113,584	77,085
Total	**272,257**	**214,564**

See Note 9 for a breakdown of revenue by geographical segment.

NOTE 8. ASSETS AND LIABILITIES RELATING TO REVENUE RECOGNITION

The table below provides information on trade receivables, work in progress and prepaid services.

(in thousands of €)	**31 December 2022**	**31 December 2021**
Trade and other receivables (assets)	32,173	32,415
Work in progress (assets)	35,627	21,727
Assets relating to costs of executing contracts (1)	816	575
Prepaid services (liabilities)	15,635	13,553

(1) Included in prepaid expenses

IFRS 15 uses the terms "contract assets" and "contract liabilities" to refer to the items commonly known as "Work in progress" and "Deferred income". However, this standard does not prevent an entity using other terms in its statement of financial position. The Group has used the terms "Work in progress" and "Deferred income" to label these items in assets and liabilities.

The Group records in deferred charges under "Assets relating to costs of executing contracts" costs related to installation and configuration services for certain software packages, whose revenue and associated costs are only recognised when the software is commissioned, regardless of whether this is marketed as licences or in SaaS mode. These assets are included in "Prepaid expenses".

In accordance with IFRS 15, revenue recognised before the date when it is billed to clients is recognised as "Work in progress". Interim payments exceeding the revenue recognised as at the reporting date are recorded as "Prepaid services".

8.1 Analysis of significant changes in assets and liabilities relating to revenue recognition

The change in work in progress, costs of executing the activated contracts and prepaid services is proportional to revenue recognition.

8.2 Revenues relating to prepaid services

(in thousands of €)	**31 December 2022**	**31 December 2021**
Revenues recognised during the year and included in the opening balance of prepaid services (1)	10,064	9,638

(1) This may include in particular the impact of changes in estimates on the measurement of the variable considerations and of such changes on the progress of the performance obligations recognised over time.

8.3 Outstanding performance obligations

Schedule of outstanding performance obligations on long-term and fixed-price contracts

(in thousands of €)	**31 December 2022**	**31 December 2021**
Less than 1 year	160,084	146,782
Between 1 and 2 years	79,551	85,215
Between 2 and 4 years	129,766	139,036
Share of revenue allocated to outstanding performance obligations as at reporting date	**369,401**	**371,033**

The above schedule corresponds to the order-book schedule (also known as the "production backlog").

8.4 Assets relating to costs of executing contracts

(in thousands of €)	**31 December 2022**	**31 December 2021**
Assets relating to costs of winning/executing contracts (gross balance)	816	575
Net balance of assets relating to costs of winning/executing contracts	**816**	**575**

NOTE 9. SEGMENT INFORMATION

For the financial years ended 31 December 2021 or earlier, the operating segments presented by Sword Group were based on business components, i.e. the "IT Services" segment and the "Software" segment.

Following the introduction of employee stock ownership plans in the United Kingdom, the Belux region and Switzerland, and the disposal of the GRC business, the segments presented by the Group were revised to reflect both the "Business" dimension and the "Geographical segment" dimension, given that only those segments that generate more than 10% of revenue or 10% of net profit are presented in accordance with the requirements of IFRS 8.

For the year ended 31 December 2022, the Group has the following operating segments:

- Services/United Kingdom
- Services/Belux
- Services/Switzerland
- Software

Please refer to Note 3 for further details of the changes made to the operating segments.

9.1 Information by segment

9.1.1. Analysis of the income statement as at 31 December 2022

(in thousands of €)	Services/ Belux	Services/ Switzerland	Services/ United Kingdom	Software	Non-allocated	Consolidated total
Revenue outside Group *(external clients)*	83,302	82,157	100,208	6,590	-	272,257
Total revenue	**83,302**	**82,157**	**100,208**	**6,590**	**-**	**272,257**
Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items (EBITDA)	**8,552**	**12,017**	**11,350**	**3,140**	**-**	**35,059**
Depreciation charges	(2,035)	(2,688)	(2,217)	(922)	-	(7,862)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	**6,517**	**9,329**	**9,133**	**2,218**	**-**	**27,197**
Income from disposals of assets	(11)	(382)	-	103,599	(4,765)	98,441
Impairment losses on assets	-	(1,114)	-	-	-	(1,114)
Other non-recurring items	(2,659)	(2,599)	(538)	(107)	(1,060)	(6,963)
Operating profit (OP)	**3,847**	**5,234**	**8,595**	**105,710**	**(5,825)**	**117,561**
Financial result						(5,428)
Income tax						(2,355)
Profit for the year						**109,778**
Non-controlling interests						23
Group share						**109,755**

9.1.2. Analysis of the income statement as at 31 December 2021

(in thousands of €)	Services/Belux	Services/ Switzerland	Services/ United Kingdom	Software	Non-allocated	Consolidated total
Revenue outside Group *(external clients)*	61,658	58,062	75,349	19,495	-	214,564
Total revenue	**61,658**	**58,062**	**75,349**	**19,495**	**-**	**214,564**
Earnings before interest, taxes, depreciation and amortisation, excluding non-recurring items (EBITDA)	**4,831**	**7,741**	**9,275**	**7,427**	**-**	**29,274**
Depreciation charges	(1,676)	(1,328)	(1,369)	(2,186)	(133)	(6,692)
Earnings before interest and taxes, excluding non-recurring items (EBIT)	**3,155**	**6,413**	**7,906**	**5,241**	**(133)**	**22,582**
Income from disposals of assets	-	8	(14)	-	399	393
Impairment losses on assets	-	(30)	-	-	-	(30)
Other non-recurring items	136	(2,141)	(622)	(265)	(908)	(3,800)
Operating profit (OP)	**3,291**	**4,250**	**7,270**	**4,976**	**(642)**	**19,145**
Financial result						2,385
Income tax						(3,656)
Profit for the year						**17,874**
Non-controlling interests						221
Group share						**17,653**

9.1.3. Analysis of assets and liabilities as at 31 December 2022

(in thousands of €)	Services/Belux	Services/ Switzerland	Services/ United Kingdom	Software	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	61,141	63,695	82,641	-	-	-	207,477
Non-allocated assets	-	-	-	-	37,219	-	37,219
TOTAL ASSETS	**61,141**	**63,695**	**82,641**	-	**37,219**	-	**244,696**
Segment liabilities	39,296	29,670	55,357	-	-	81,907	206,230
Non-allocated liabilities	-	-	-	-	18,829	(81,907)	(63,078)
TOTAL LIABILITIES	**39,296**	**29,670**	**55,357**	-	**18,829**	-	**143,152**
Investments in property, plant and equipment and intangible assets during the year	*3,445*	*5,288*	*2,589*	*2,712*	*517*	*-*	*14,551*

(1) Analysis of assets and liabilities as at 31 December 2021

(in thousands of €)	Services/Belux	Services/ Switzerland	Services/ United Kingdom	Software	Non-allocated	Adjustments and eliminations	Consolidated total
Segment assets	49,562	73,104	28,012	41,373	-	-	192,051
Non-allocated assets	-	-	-	-	33,625	-	33,625
TOTAL ASSETS	**49,562**	**73,104**	**28,012**	**41,373**	**33,625**	**-**	**225,676**
Segment liabilities	26,736	19,835	51,760	32,665	-	123,106	254,102
Non-allocated liabilities	-	-	-	-	352	(123,106)	(122,754)
TOTAL LIABILITIES	**26,736**	**19,835**	**51,760**	**32,665**	**352**	**-**	**131,348**
Investments in property, plant and equipment and intangible assets during the year	*3,975*	*1,304*	*252*	*7,042*	*1,649*	*-*	*14,222*

See Note 13.2 for allocation of goodwill to cash-generating units.

All the assets are allocated to the segments, except assets which cannot be allocated to a CGU, which comprise mainly cash and cash equivalents held by the Company.

All the liabilities are allocated to the segments, except liabilities which cannot be allocated to a CGU, which comprise mainly loans taken out by the Company with credit institutions in the amount of €18,000,000 as at 31 December 2022 (Note 23).

NOTE 10. GROUP INFORMATION

10.1 Scope of consolidation

Company	Main business	Method	% controlled 31 December 2022	% controlled 31 December 2021	% interest 31 December 2022	% interest 31 December 2021
Luxembourg						
Sword Group S.E.	Parent company					
Sword Co-Investment Fund SCSp	Holding company	FC	100%	100%	100%	100%
Sword Technologies S.A.	IT Services	FC	100%	100%	100%	100%
Australia						
DataCo Australia Pty Ltd (1)	IT Services	FC	-	100%	-	100%
Sword GRC Pty Ltd (2)	Software	FC	-	100%	-	97%
Belgium						
Sword Integra S.A.	IT Services	FC	100%	100%	100%	100%
Tipik Communication Agency S.A.	IT Services	FC	100%	100%	100%	100%
Vadear S.A.	IT Services	FC	100%	100%	100%	100%
Canada						
Sword Corporation Inc. (9)	IT Services	FC	100%	100%	45%	45%
Cyprus						
Sword Cyprus Ltd	IT Services	FC	100%	100%	100%	100%
Dubai						
Sword Middle East FZ LLC	IT Services	FC	100%	100%	100%	100%
United States						
Sword ITS LLC	IT Services	FC	100%	100%	100%	100%
Sword GRC Inc. (2)	Software	FC	-	100%	-	97%
Sword Solutions Inc.	IT Services	FC	100%	100%	100%	100%
Spain						
Lemonade Software Development S.L. (3)	IT Services	FC	100%	50%	100%	50%
France						
Le Connecteur S.à r.l.	-	FC	100%	100%	100%	100%
Sword Software France S.à r.l.	-	FC	100%	100%	100%	100%
Greece						
Sword Services Greece S.A.	IT Services	FC	99%	99%	99%	99%
India						
Sword Global India Pvt Ltd	IT Services	FC	100%	100%	100%	100%
Lebanon						
Sword Lebanon SAL	IT Services	FC	100%	97%	100%	97%
Sword Middle East LLC	IT Services	FC	98%	98%	98%	98%
Netherlands						
DataCo Netherlands B.V.	IT Services	FC	100%	100%	100%	100%
New Zealand						
DataCo New Zealand Ltd (4)	IT Services	FC	-	100%	-	100%

Company	Main business	Method	% controlled 31 December 2022	% controlled 31 December 2021	% interest 31 December 2022	% interest 31 December 2021
United Kingdom						
AAA Group Ltd	Holding company	FC	100%	100%	100%	100%
AAA Ltd	IT Services	FC	100%	100%	100%	100%
Codify Holding Ltd	IT Services	FC	100%	100%	100%	100%
Codify Ltd	IT Services	FC	100%	100%	100%	100%
Geores Ltd *(previously DataCo Global Ltd)*	IT Services	FC	100%	100%	100%	100%
DataCo Ltd	IT Services	FC	100%	100%	100%	100%
Infinity Ltd	IT Services	FC	100%	100%	100%	100%
Magique Galileo Software Ltd (2)	Software	FC	-	100%	-	97%
Minttulip Ltd	IT Services	FC	100%	100%	100%	100%
Onsite Information Management Pty Ltd (5)	IT Services	FC	100%	-	100%	-
Phusion IM Ltd (5)	IT Services	FC	100%	-	100%	-
Ping Network Solutions Ltd (6)	IT Services	FC	100%	-	100%	-
Sword Achiever Ltd (2)	Software	FC	-	100%	-	97%
Sword Charteris Ltd	Holding company	FC	100%	100%	100%	100%
Sword IT Solutions Ltd	IT Services	FC	100%	100%	100%	100%
Sword GRC Group Ltd (2)	Holding company	FC	-	97%	-	97%
Sword GRC Ltd (2)	Software	FC	-	100%	-	97%
Sword Soft Ltd	Holding company	FC	100%	100%	100%	100%
Sword Technologies Solutions Ltd	IT Services	FC	100%	100%	100%	100%
Venture Information Management Ltd	IT Services	FC	100%	100%	100%	100%
Switzerland						
Almaz Informatique S.A.	IT Services	FC	100%	100%	100%	100%
AiM Services Holding S.A.	IT Services	FC	100%	100%	100%	100%
AiM Services S.A.	IT Services	FC	100%	100%	100%	100%
Nexavis S.A. (7)	IT Services	FC	-	100%	-	100%
CBA Sourcing S.A.	IT Services	FC	51%	51%	51%	51%
Eurogenia S.A. (8)	Holding company	FC	-	100%	-	100%
Sword Engineering S.A.	IT Services	FC	100%	100%	100%	100%
Sword Technologies S.A (9)	IT Services	FC	45%	45%	45%	45%
Swissgenia S.A.	IT Services	FC	100%	100%	100%	100%
Sword Services S.A.	IT Services	FC	100%	100%	100%	100%
Sword Sports & Events S.A.	IT Services	FC	81%	81%	81%	81%
Sword Suisse Holding S.A.	Holding company	FC	100%	100%	100%	100%
Sword Venue S.à r.l.	Software	FC	100%	100%	81%	81%

(1) Wound up effective 31 March 2022.

(2) Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskonnect. The subsidiaries Sword GRC Group Ltd, Magique Galileo Software Ltd, Sword Achiever Ltd, GRC Pty Ltd, Sword GRC Ltd and Sword GRC Inc. are included in the scope of the disposal. See Note 12.

(3) On 7 October 2022, the Group increased its stake in Lemonade Software Development S.L. from 50% to 100% for a total of €1,300,000. See Notes 5 and 25.

(4) Wound up effective 5 May 2022.

(5) On 1 July 2022, the Group acquired 100% of the share capital of Phusion IM Ltd and its subsidiary Onsite Information Management Pty Ltd. See Note 11.

(6) On 21 March 2022, the Group acquired 100% of the share capital of Ping Network Solutions Limited. See Note 11.

(7) Wound up effective 1 June 2022.

(8) Effective 1 January 2022, merged with Sword Swiss Holding S.A.

(9) The Group signed a shareholders' agreement taking effect on 1 January 2014 that gave it control over Sword Technologies S.A.(Switzerland). Consequently, the company and its subsidiaries are fully consolidated.

10.2 Transactions with non-controlling interests (minority interests)

10.2.1. Impact of transactions with minority interests on equity – Group share for the years ended 31 December 2022 and 31 December 2021

(in thousands of €)	31 December 2022	31 December 2021
Changes in reserves, in terms of the Group share, due to:		
- Acquisitions/repurchases of securities in:		
Lemonade Software Development S.L.	(1,044)	-
Sword Lebanon SAL	(1,178)	(261)
Other	-	(16)
- Acquisitions of stakes by Co-investors in:		
Sword Co-Investment Fund (Note 10.2.3)	1,204	1,425
- Commitments to repurchase securities held by Co-investors in:		
Sword Co-Investment Fund (Note 10.2.3)	(6,886)	(20,597)
- Changes in put options over minority interests relating to Sword GRC Group Ltd (Notes 10.2.2 and 10.3)	429	733
NET IMPACT ON EQUITY – GROUP SHARE	**(7,475)**	**(18,716)**

10.2.2. Sword GRC Group Ltd

An employee stock ownership plan for managers at Sword GRC Group Ltd had been implemented by Sword Soft Ltd, a Group subsidiary. Under the plan, minority shareholders could obtain financing from Sword Soft Ltd, allowing them to pay up the subscribed capital and reimburse Sword Soft Ltd within five years. This financing gave rise to receivables from the minority shareholders.

These receivables had an interest rate of 3%. The price of subscribed shares was calculated based on a multiple applied to EBIT. In addition, Sword Soft Ltd had undertaken to buy back the shares acquired by minority shareholders if they made such a request.

The repurchase price was calculated on a similar basis to that used for the subscription price. The estimated repurchase price as at 31 December 2021 corresponded to the fair value of the commitments listed in Note 10.3.

Under the provisions of the plan that expired on 31 December 2021, the Group, in January 2022, bought back 3% of the shares held by the minority shareholders for €1,658,000, resulting in the recognition of a loss of €102,000 in financial result.

These shares were bought back prior to the disposal of Sword GRC Group Ltd (see Note 12).

10.2.3. Sword Co-Investment Fund

The Group has established a special investment fund called the Sword Co-Investment Fund (hereinafter "the Fund") to bring together all the Group's employee stock ownership plans. During 2022, three new plans relating to Switzerland attracted subscriptions totalling €6,887,000.

The Fund is open only to managers in certain subsidiaries (the "Co-investors").

The goal of the Fund is to harmonise the rules that apply to plans spread across several jurisdictions and to use a centralised platform to increase the efficiency of the subscription process.
The Fund is managed by Sword Group S.E. in its capacity as general partner.

By subscribing for Fund shares, Co-investors are exposed to the financial performance of their subsidiaries.

Therefore, whenever a plan is put in place for Co-investors from a subsidiary, a share of the subsidiary's securities, which are classified as underlying securities, are transferred to the Fund in exchange for the subscribed shares, at their fair value calculated on the basis of an EBIT multiple applied to the securities of the subsidiary involved.

The Group co-finances the investment up to a level of 85%, in the form of a loan either to the Fund or to the Co-investors. This loan is subject to an interest rate of 2%.

Under these plans, at the end of a period generally ranging from three to five years, the shares held by the Co-investors will be repurchased by the Fund at their fair value at the time of the repurchase, calculated on the basis of an EBIT multiple applied to the securities of the subsidiary involved. In some cases, put options are granted to Co-investors, allowing them to request the early repurchase of their securities.

The repurchase price of the shares will be paid to the Co-investors after deduction of the loan amounts, if applicable.

During 2022, a proportion of the shares held by the Co-investors were bought back for a total of €45,157,000, excluding the effect of the offsetting of amounts owed by the Co-investors to the Group of €14,565,000.

The total amount of the buyback referred to above includes €15,500,000 corresponding to the buyback of the shares held by the Fund issued to finance 15% of the capital held by the Fund in Sword GRC Group Ltd via the employee stock ownership plan covering the GRC activities and replacing the original plan (see Note 10.2.2). This buyback follows the disposal of Sword GRC Group Ltd (see Note 12) and the obligation on the Group to buy back the Fund's shares linked to the GRC plan in the event of the loss of control over a subsidiary. The buyback price of the shares was calculated by reference to the financial terms negotiated by the Group on the disposal of Sword GRC Group Ltd. The buyback resulted in the recognition of a reduction in the debt estimated at €19,047,000 as at 31 December 2021, with a corresponding charge included in "Changes in fair value for commitments to repurchase securities held by minority shareholders/Co-investors" under financial result. The fall in the debt's value can primarily be explained by the fact that a price was negotiated for the immediate sale of the GRC business, compared with an internal valuation established over a three-year horizon.

The amount invested in the plans via the Fund stood at €27,432,000 (2021: €40,627,000), of which €14,739,000 (2021: €30,045,000) had been paid up as at 31 December 2022.

In the event of a negative performance of the underlying subsidiary, the plan states that the Co-investors cover the deficit up to the amount either of the sums the Group has lent to them, or of the sums they have subscribed but not paid up.

The repurchase commitment gives rise to the recognition of a financial debt, with a corresponding cancellation of the related non-controlling interests. Financial debt is remeasured at its fair value as at each reporting date, with a corresponding charge to the financial result.

10.3 Commitments to repurchase non-controlling interests

Commitments to repurchase non-controlling interests were as follows as at 31 December 2022:

(in thousands of €)	**Share (%) held by minority shareholders**	**Minority interests included in the repurchase plan**	**Measurement method**	**Fair value of commitments (current debts)**	**Fair value of commitments (non-current debts)**
Sword Co-Investment Fund(**)	-	-	EBITDA/revenue multiple	15,892 (*)	38,489 (*)

(*) Excluding the impact of offsetting with the receivable worth €3,955,000 (current portion) and €6,670,000 (non-current portion) respectively.

(**) It should be noted that the non-controlling interests were cancelled following the repurchase commitment. See Note 10.2.3.

Commitments to repurchase non-controlling interests were as follows as at 31 December 2021:

(in thousands of €)	**Share (%) held by minority shareholders**	**Minority interests included in the repurchase plan**	**Measurement method**	**Fair value of commitments (current debts)**	**Fair value of commitments (non-current debts)**
Sword GRC Group Ltd	3%	3%	EBIT multiple	1,556	-
Sword Co-Investment Fund	-	-	EBITDA/revenue multiple	28,937 (*)	59,989 (*)

(*) Excluding the impact of offsetting with the receivable worth €14,565,000 (current portion) and €11,214,000 (non-current portion) respectively.

(**) It should be noted that the non-controlling interests were cancelled following the repurchase commitment. See Note 10.2.3.

For the method used to measure the fair value of commitments, see Note 5.2.

NOTE 11. BUSINESS COMBINATIONS AND ACQUISITIONS

11.1 Acquisitions in 2022

11.1.1. Description

Ping Network Solutions Ltd

On 21 March 2022, the Group signed an agreement to purchase 100% of Ping Network Solutions Ltd, a company incorporated in the UK, for GBP 10,581,000 (equivalent to €12,838,000), excluding additional payments. Ping Network Solutions Ltd is a service company specialising in the design, supply, integration and management of networking solutions for a global customer base, spanning sectors including energy, financial services, education, public sector, manufacturing and construction. Its acquisition will allow the Group to access unique expertise, forge organisational synergies, deliver a broader range of services and expand its client base.

Phusion IM Limited

On 1 July 2022, the Group signed an agreement to purchase 100% of Phusion IM Limited, a company incorporated in the UK, for GBP 1,809,000 (equivalent to €2,108,000), excluding additional payments. Included in the acquisition scope is the subsidiary Onsite Information Management Pty Ltd. Phusion IM Limited is a company that specialises in the implementation and optimisation of information management systems for the oil and gas and engineering sectors, including a suite of dedicated software solutions. This acquisition will allow the Group to secure its supply of expertise (given that the Group was using the services of Phusion IM Limited prior to the acquisition), to make cost savings and to enhance its offering and target a broader client base.

11.1.2. Consideration transferred

(in thousands of €)	Ping Network Solutions Ltd	Phusion IM Limited	TOTAL
Consideration settled in cash	12,838	2,108	**14,946**
Less:			
Balance of cash and cash equivalents acquired	2,410	107	2,517
NET CASH OUTFLOW	**10,428**	**2,001**	**12,429**

The Ping Network Solutions Ltd purchase agreement provides for an additional payment based on the increase in EBITDA in 2023 and 2024 over the historical EBITDA levels used to calculate the base price. The fair value of this liability was €8,517,000 as at 31 December 2022. See also Note 5.2.

The Phusion IM Limited purchase agreement provides for an additional payment corresponding to a multiple of EBITDA calculated over a 12-month period beginning on 1 July 2022, less the base price. The fair value of this liability was €507,000 as at 31 December 2022. See also Note 5.2.

11.1.3. Assets acquired and liabilities recognised on the acquisition date

(in thousands of €)	Ping Network Solutions Ltd	Phusion IM Limited	TOTAL
Non-current assets			
Intangible assets	3,259	555	3,814
Property, plant and equipment	523	842	1,365
Current assets			
Trade and other receivables	2,803	110	2,913
Work in progress	1,162	34	1,196
Current tax assets	-	52	52
Other assets	1,919	(69)	1,850
Cash and cash equivalents	2,410	107	2,517
Prepaid expenses	2,333	49	2,382
Non-current liabilities			
Deferred tax liability	(815)	(125)	(940)
Current liabilities			
Trade and other payables	(2,001)	(278)	(2,279)
Current tax liability	(343)	(4)	(347)
Other liabilities	(1,971)	(30)	(2,001)
Prepaid services	(4,566)	(497)	(5,063)
IDENTIFIABLE NET ASSETS ACQUIRED	**4,713**	**746**	**5,459**

11.1.4. Goodwill arising from the acquisition

(in thousands of €)	Ping Network Solutions Ltd	Phusion IM Limited	TOTAL
Consideration transferred	**12,838**	**2,108**	**14,946**
Less: fair value of identifiable net assets acquired	4,713	746	5,459
Plus: contingent consideration	9,041	524	9,565
GOODWILL ARISING FROM THE ACQUISITION	**17,166**	**1,886**	**19,052**

The goodwill arising on the acquisition of Ping Network Solutions Ltd and Phusion IM Limited is related mainly to growth and profitability forecasts, acquired expertise, cost reductions implemented at the acquired companies, and medium-term synergies resulting from the support provided to these companies by the Group via support functions. Goodwill should not be deductible for tax purposes.

11.1.5. Impact of acquisitions on the Group's profit or loss

If the above business combinations had been in place as at 1 January 2022, the revenue and profit or loss for the period of the acquired entities would have been as follows:

(in thousands of €)	**Ping Network Solutions Ltd**	**Phusion IM Limited**	**TOTAL**
Revenue	23,729	2,001	25,730
Profit or loss	2,253	(141)	2,112

For the period from their acquisition date until 31 December 2022, the companies acquired through business combinations contributed to the Group's revenue and profit or loss in the following proportions:

(in thousands of €)	**Ping Network Solutions Ltd**	**Phusion IM Limited**	**TOTAL**
Revenue	21,077	1,096	22,173
Profit or loss	2,222	87	2,309

11.2 Acquisitions in 2021

11.2.1. Description

Almaz Informatique S.A. (Almaz)

On 1 March 2021, the Group acquired 100% of the capital of Almaz, a company incorporated in Switzerland, for CHF 2,520,000 (equivalent to €2,293,000), excluding additional payments. Almaz is a company specialising in the installation of middleware and the integration of business applications. The tie-up will allow the Group to acquire programming expertise and to strengthen its presence in the public sector.

AiM Services Holding S.A. (AiM)

On 20 July 2021, the Group acquired 100% of the shares in AiM Services Holding S.A., a company incorporated in Switzerland, for CHF 5,780,000 (equivalent to €5,264,000), excluding additional payments. AiM Services S.A., a subsidiary of AiM Services Holding S.A., is a service company based in Geneva, Lausanne and Sion, specialising in infrastructure management and application maintenance for third parties as well as resource outsourcing. As a secondary business, AiM specialises in software development and integration. The acquisition of AiM will enable the Group to forge organisational synergies, deliver a broader range of services and expand its customer base.

11.2.2. Consideration transferred

(in thousands of €)	**Almaz**	**AiM**	**TOTAL**
Consideration settled in cash	2,293	7,081	**9,374**
Less:			
Balance of cash and cash equivalents acquired	460	806	**1,266**
NET CASH OUTFLOW	**1,833**	**6,275**	**8,108**

In addition to the base price, the Almaz purchase agreement provides for an additional payment of up to CHF 300,000, payable on 1 January 2022, depending on the number of contracts in place on that date. The fair value of this liability was €290,000 as at 31 December 2021. See also Note 5.2.

In addition to the base price (including price paid in cash and deferred price of CHF 2,000,000), the AiM purchase agreement provides for an additional payment based on the number of new contracts concluded by 1 March 2022 and the return to the seller of a share of the sale price that the Group could secure for the disposal of non-core activities. The fair value was €193,500 for each of these liabilities as at 31 December 2021. See also Note 5.2.

11.2.3. Assets acquired and liabilities recognised on the acquisition date

(in thousands of €)	Almaz	AiM	TOTAL
Non-current assets			
Intangible assets	113	2,617	2,730
Property, plant and equipment	11	1	12
Deferred tax assets	-	370	370
Other assets	1	102	103
Current assets			
Trade and other receivables	70	2,179	2,249
Work in progress	131	529	660
Current tax assets	-	21	21
Other assets	64	986	1,050
Cash and cash equivalents	460	806	1,266
Prepaid expenses	-	984	984
Non-current liabilities			
Deferred tax liabilities	(17)	(366)	(383)
Other liabilities	-	(490)	(490)
Current liabilities			
Financial debt	-	(2,328)	(2,328)
Trade and other payables	(308)	(3,458)	(3,766)
Current tax	(5)	(17)	(22)
Other liabilities	(135)	(878)	(1,013)
Prepaid services	(89)	(2,015)	(2,104)
IDENTIFIABLE NET ASSETS ACQUIRED	**296**	**(957)**	**(661)**

11.2.4. Goodwill arising from the acquisition

(in thousands of €)	Almaz	AiM	TOTAL
Consideration transferred	**2,293**	**7,081**	**9,374**
Less: fair value of identifiable net assets acquired	296	(957)	(661)
Plus: contingent consideration	274	369	643
GOODWILL ARISING FROM THE ACQUISITION	**2,271**	**8,407**	**10,678**

The goodwill arising on the acquisition of Almaz and AiM is related mainly to growth and profitability forecasts, acquired expertise, cost reductions implemented at the acquired companies, and medium-term synergies resulting from the support provided to these companies by the Group via support functions. Goodwill should not be deductible for tax purposes.

11.2.5. Impact of acquisitions on the Group's profit or loss

If the above business combinations had been in place as at 1 January 2021, the revenue and profit or loss for the period of the acquired entities would have been as follows:

(in thousands of €)	Almaz	AiM	TOTAL
Revenue	1,572	18,048	19,620
Profit or loss	225	(2,647)	(2,422)

For the period from their acquisition date until 31 December 2021, the companies acquired through business combinations contributed to the Group's revenue and profit or loss in the following proportions:

(in thousands of €)	Almaz	AiM	TOTAL
Revenue	1,331	8,163	9,494
Profit or loss	221	67	288

NOTE 12. DISPOSALS

12.1 Disposals in 2022

Sword GRC Group Ltd

Effective 21 April 2022, the Group sold its stake in Sword GRC Group Ltd to Riskonnect for GBP 114,061,000 (equivalent to €136,565,000). The transaction's scope covers governance, risk and compliance (GRC) software activities. The subsidiaries Sword GRC Group Ltd, Magique Galileo Software Ltd, Sword Achiever Ltd, Sword GRC Ltd, Sword GRC Pty and Sword GRC Inc. are included in the scope of the disposal.

12.1.1. Consideration received

(in thousands of €)	TOTAL
Consideration received in cash and cash equivalents	125,185
Deferred consideration receivable	11,380
TOTAL CONSIDERATION	**136,565**

12.1.2. Net cash inflow on disposal

(in thousands of €)	TOTAL
Consideration received in cash and cash equivalents	125,185
Less:	
Balance of cash and cash equivalents disposed of	7,082
NET CASH INFLOW	**118,103**

12.1.3. Analysis of assets and liabilities over which control was lost

(in thousands of €)	TOTAL
Non-current assets	
Goodwill	13,390
Intangible assets	14,395
Property, plant and equipment	259
Right-of-use assets	527
Financial assets	20,853
Current assets	
Trade and other receivables	4,607
Work in progress	301
Current tax assets	2
Other assets	57
Cash and cash equivalents	7,082
Prepaid expenses	1,042
Non-current liabilities	
Lease obligations	(185)
Deferred tax liabilities	(89)
Current liabilities	
Lease obligations	(331)
Other provisions	(387)
Trade and other payables	(1,898)
Current tax liabilities	(661)
Other liabilities	(22,212)
Prepaid services	(6,785)
IDENTIFIABLE NET ASSETS DISPOSED OF	**29,967**

12.1.4. Profit generated on disposal

(in thousands of €)	TOTAL
Total consideration	**136,565**
Less: Net assets disposed of	29,967
PROFIT GENERATED ON DISPOSAL	**106,598**

12.1.5. Impact of the disposal on net profit (loss) for the year

The table below provides a breakdown of the components of the contribution of Sword GRC Group Ltd and its subsidiaries to the Group's net profit for the period from 1 January 2022 to their date of disposal:

(in thousands of €)	TOTAL
Revenue	6,590
EBITDA	3,140
EBIT	2,218
Operating profit	1,948
Financial result	(193)
Profit before tax	1,755
Income tax	(201)
Profit for the year derived from the GRC business	**1,554**

12.2 Disposals in 2021

None

NOTE 13. GOODWILL

13.1 Changes in goodwill

(in thousands of €)	31 December 2022	31 December 2021
GROSS AMOUNT		
Balance as at opening	91,503	77,053
Additional amounts recognised following business combinations arising during the year	19,065	10,678
Disposals (Note 12.1)	(13,390)	-
Translation differences	(951)	3,772
Balance as at year end	**96,227**	**91,503**
ACCUMULATED IMPAIRMENT LOSSES		
Balance as at opening	25,000	25,000
Balance as at year end	**25,000**	**25,000**
GOODWILL, NET CARRYING AMOUNT	**71,227**	**66,503**

13.2 Allocation of goodwill by cash-generating units (CGUs)

(in thousands of €)	31 December 2022	31 December 2021
Services/Belux	15,391	15,391
Services/Switzerland	18,615	17,742
Services/United Kingdom	37,221	20,061
Software	-	13,309
TOTAL	**71,227**	**66,503**

13.3 Goodwill impairment testing

As recommended in IAS 36, the goodwill arising from a business combination is allocated to a cash-generating unit ("CGU") likely to benefit from business combination synergies.

In view of the changes made to the operating segments and the level at which goodwill is managed and its performance is assessed by the Group, the CGUs selected by the Group from the 2022 financial year onwards for the purposes of impairment testing are included in the operating segments that combine businesses and geographical segments, namely Services/Belux, Services/Switzerland and Services/United Kingdom.

Previously, the CGUs selected by the Group corresponded to the Group's business segments, i.e. IT services and software.

As a result, goodwill was reallocated to the above-mentioned service-related CGUs based on their relative value, i.e. the recoverable amount of the CGUs as at 31 December 2021, calculated based on financial data collected in order to carry out impairment testing on that date.

The Group re-examined the value of the goodwill associated with its CGUs by comparing the recoverable amount of the CGUs with their net carrying amount, including goodwill. In accordance with IAS 36, only the value in use in respect of the recoverable amount was included.

Key assumptions
The forecast cash flows used by the Group to estimate value in use came from the 2023 budget and from an extrapolation for 2024 and subsequent years. Based on the 2023 budget, the Group's revenue rose by approximately 14.16% on a like-for-like basis, i.e. restated to take into account the disposal of the GRC business.

The key assumptions adopted in the valuation model used by the Group are (i) medium-term growth in revenue, (ii) an operating margin corresponding to the EBIT/revenue ratio, (iii) the infinite growth rate used to calculate the final value, and (iv) the discount rate.

As at 31 December 2022	**Services/ Belux**	**Services/ Switzerland**	**Services/United Kingdom**
Medium-term revenue growth (2024-2025)	10% and 7.50%	15% and 10%	15% and 10%
Operating margin	7%	10%	12%
Infinite growth rate	2%	2%	2%
Discount rate after tax (*) (**)	9.33%	9.11%	9.89%

(*) The pre-tax discount rates for 2022 were 13.27%, 10.92% and 12.77% for the Services/Belux CGU, the Services/Switzerland CGU and the Services/United Kingdom CGU respectively.
(**) For the year ended 31 December 2022, the risk-free rate embedded in the discount rate has been adjusted upwards to reflect expected economic growth and the central bank's inflation target.

The Group has opted for a single scenario based on the 2023 budget and the medium-term projections extrapolated from the budget, considering that this scenario is much more conservative compared with the last update of the business plan adopted by the Group for the period 2021-2025, reflecting organic growth of 15% and an EBITDA margin of 12% for the years 2024 and 2025.

The medium-term forecasts and the profit outlook were prepared taking into account in particular the order book, the market shares and references acquired in certain strategic sectors such as energy, the public sector and finance in the UK, and finance, the public sector, luxury brands and international organisations in Switzerland, sustained demand for IT engineering projects with supranational organisations in Belux, the establishment of key partnerships, particularly in the field of IT infrastructure management, and the impact of recent acquisitions.

According to the Group's management, Brexit has so far had only a limited impact on the Group's business given the growth prospects of the UK market due to the need to digitalise the economy, its leading position in certain segments (e.g. oil and gas) and its rapid expansion into new segments (banking, local government).

Fluctuations in pound sterling and the Swiss franc against the euro have a minimal impact on the impairment tests because the carrying amounts of the Services/Switzerland and Services/United Kingdom CGUs and their recoverable amounts are initially measured in local currencies and then translated into euro.

The discount rates used for annual impairment tests are the weighted average cost of capital (WACC) rates specific to each CGU.

The Group's management is of the opinion that no reasonably possible change in key assumptions on which the recoverable amount of each CGU is based would cause the carrying amount allocated to them to exceed their recoverable amount.

NOTE 14. OTHER INTANGIBLE ASSETS

(in thousands of €)	Software	Client contracts	Non-compete clause	Other intangible assets	TOTAL
GROSS AMOUNT					
As at 31 December 2020	**13,735**	**6,478**	**1,113**	**8,950**	**30,276**
Inflows of assets generated internally	7,626	-	-	-	7,626
Acquisitions	-	-	-	110	110
Acquisitions via business combinations	-	2,730	-	-	2,730
Translation difference	1,130	582	-	(48)	1,664
As at 31 December 2021	**22,491**	**9,790**	**1,113**	**9,012**	**42,406**
Inflows of assets generated internally	3,939	-	-	-	3,939
Acquisitions	-	-	-	379	379
Acquisitions via business combinations	-	3,815	-	-	3,815
Disposals	(842)	-	-	-	(842)
Deconsolidations	(21,934)	(3,175)	-	-	(25,109)
Translation difference	253	(103)	-	-	150
Other movements	(376)	(736)	-	1,112	-
As at 31 December 2022	**3,531**	**9,591**	**1,113**	**10,503**	**24,738**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
As at 31 December 2020	**(5,774)**	**(5,645)**	-	**(8,098)**	**(19,517)**
Depreciation charges	(1,858)	(922)	-	(300)	(3,080)
Translation difference	(437)	(388)	-	48	(777)
As at 31 December 2021	**(8,069)**	**(6,955)**	-	**(8,350)**	**(23,374)**
Depreciation charges	(865)	(2,248)	-	(388)	(3,501)
Scope changes	7,539	3,175	-	-	10,714
Recognised impairment losses	(1,082)	-	-	-	(1,082)
Reversals of impairment losses	456	-	-	-	456
Translation difference	(93)	47	-	-	(46)
Other movements	-	736	-	(736)	-
As at 31 December 2022	**(2,114)**	**(5,245)**	-	**(9,474)**	**(16,833)**
NET AMOUNT					
As at 31 December 2021	**14,422**	**2,835**	**1,113**	**662**	**19,032**
As at 31 December 2022	**1,417**	**4,346**	**1,113**	**1,029**	**7,905**

Software includes development costs related to the improvement of existing software solutions and software acquired through business combinations.

"Client contracts and client relations" comprise SaaS contracts and software maintenance contracts, as well as non-contractual relationships acquired through business combinations.

Until September 2014, the Group had undertaken, during the sale of a business unit, to refrain from providing digital communication services to the European institutions.

Subsequently, given the growth prospects in the public sector and following a change in strategy, the Group secured the cancellation of the relevant non-compete clause. This cancellation was valued at €1,113,000.

The other intangible assets comprise mainly services to be provided under contracts in the Services/Belux, Services/Switzerland and Services/United Kingdom segments, also known as the "order book" or the "production backlog".

Impairment testing for the non-compete clause

As at the reporting date, the Group compared the net carrying amount of the Services/Belux CGU, to which the amount for buying out the non-compete clause worth €1,113,000 was allocated, including the carrying amount of that clause, and its recoverable amount, which was determined on the basis of its value in use.

Since the recoverable amount of the Services/Belux CGU exceeded its net carrying amount, no impairment loss was recognised. See Note 13.3 for key assumptions used to calculate value in use.

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

(in thousands of €)	Land and buildings	Facilities, developments and fixtures	Transport equipment	Office and IT equipment	Office furniture	TOTAL
GROSS AMOUNT						
As at 31 December 2020	**405**	**2,536**	**220**	**5,339**	**1,196**	**9,696**
Acquisitions	-	1,119	6	1,026	397	2,548
Acquisitions via business combinations	-	-	12	-	-	12
Disposals	-	-	-	-	(14)	(14)
Deconsolidations	-	(18)	(12)	(43)	-	(73)
Translation difference	28	113	7	200	51	399
As at 31 December 2021	**433**	**3,750**	**233**	**6,522**	**1,630**	**12,568**
Acquisitions	-	662	46	879	120	1,707
Acquisitions via business combinations	1,305	-	-	677	1,513	3,495
Disposals	(138)	(7)	(17)	(1,723)	(93)	(1,978)
Deconsolidations	-	-	-	(752)	(386)	(1,138)
Translation difference	(59)	(67)	10	(77)	(58)	(251)
Other movements	(24)	-	-	-	-	(24)
As at 31 December 2022	**1,517**	**4,338**	**272**	**5,526**	**2,726**	**14,379**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
As at 31 December 2020	**(404)**	**(1,963)**	**(123)**	**(4,448)**	**(1,010)**	**(7,948)**
Depreciation charges	(1)	(505)	(5)	(565)	(100)	(1,176)
Scope changes	-	19	-	43	15	77
Impairment losses	-	-	(30)	-	-	(30)
Translation difference	(28)	(87)	(6)	(155)	(44)	(320)
As at 31 December 2021	**(433)**	**(2,536)**	**(164)**	**(5,125)**	**(1,139)**	**(9,397)**
Depreciation charges	(9)	(286)	(10)	(791)	(145)	(1,241)
Scope changes	(332)	-	17	1,821	(798)	708
Impairment losses	-	-	(33)	-	-	(33)
Translation difference	33	78	(8)	62	44	209
Other movements	24	-	-	-	-	24
As at 31 December 2022	**(717)**	**(2,744)**	**(198)**	**(4,033)**	**(2,038)**	**(9,730)**
NET AMOUNT						
As at 31 December 2021	**-**	**1,214**	**69**	**1,397**	**491**	**3,171**
As at 31 December 2022	**800**	**1,594**	**74**	**1,493**	**688**	**4,649**

As at 31 December 2022, no guarantees had been issued regarding property, plant and equipment (the same had been the case in 2021).

NOTE 16. LEASES

16.1 Right-of-use assets by category

(in thousands of €)	Land and buildings	Transport equipment	TOTAL
GROSS AMOUNT			
As at 31 December 2020	**17,781**	**1,195**	**18,976**
New contracts	3,236	701	3,937
Disposals/exits from contracts	(1,542)	(309)	(1,851)
Translation difference	820	2	822
As at 31 December 2021	**20,295**	**1,589**	**21,884**
New contracts [(1)]	6,961	1,190	8,151
Disposals/exits from contracts	(3,861)	(413)	(4,274)
Deconsolidations	(1,660)	-	(1,660)
Translation difference	(256)	1	(255)
As at 31 December 2022	**21,479**	**2,367**	**23,846**
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES			
As at 31 December 2020	**(12,192)**	**(630)**	**(12,822)**
Depreciation charges	(1,977)	(459)	(2,436)
Disposals/exits from contracts	1,538	309	1,847
Translation difference	(612)	(1)	(613)
As at 31 December 2021	**(13,243)**	**(781)**	**(14,024)**
Depreciation charges	(2,578)	(542)	(3,120)
Disposals/exits from contracts	3,861	412	4,273
Scope changes	1,133	-	1,133
Translation difference	233	(1)	232
As at 31 December 2022	**(10,594)**	**(912)**	**(11,506)**
NET AMOUNT			
As at 31 December 2021	**7,052**	**808**	**7,860**
As at 31 December 2022	**10,885**	**1,455**	**12,340**

[(1)] Mainly relating to new leases in Switzerland and the United Kingdom for a term of between six and ten years.

16.2 Maturities of lease obligations

(in thousands of €)	31 December 2022	31 December 2021
Less than one year	3,033	2,784
Between one and two years	2,840	1,731
Between two and three years	2,234	1,472
Between three and five years	2,892	1,898
More than five years	1,768	1,119
TOTAL	**12,767**	**9,004**

16.3 Items recognised in profit or loss

(in thousands of €)	31 December 2022	31 December 2021
Charges for depreciation for right-of-use assets	(3,120)	(2,436)
Interest expenses on lease obligations	(220)	(161)
Lease expenses for short-term leases	(107)	(160)
Lease expenses for leases for low-value underlying assets	(80)	(45)
TOTAL	**(3,527)**	**(2,802)**

The Group's leases do not include variable payments, apart from adjustments for inflation.

Total cash outflows relating to leases were €4,040,000 in 2022 (2021: €3,250,000).

NOTE 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Balance as at the reporting date

(in thousands of €)	31 December 2022	31 December 2021
Shareholdings in Coexya Group	-	3,011
TOTAL	**-**	**3,011**

Changes during the year

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**3,011**	**2,964**
Disposals	(4,831)	(111)
Changes in fair value	1,820	158
BALANCE AS AT YEAR END	**-**	**3,011**

NOTE 18. TRADE AND OTHER RECEIVABLES

(in thousands of €)	31 December 2022	31 December 2021
Trade receivables	33,712	33,826
Allowances for doubtful accounts	(1,539)	(1,411)
Trade receivables, net	**32,173**	**32,415**

Due to their short-term maturity, the carrying amount of trade and other receivables is close to the fair value.

Aged balance

(in thousands of €)	<3 months	3-6 months	6-12 months	>1 year	Total
As at 31 December 2022	23,798	1,215	83	46	25,142
As at 31 December 2021	22,634	1,033	114	917	24,698

The trade receivables presented above comprise amounts due as at the reporting date and for which the Group has not created an allowance for doubtful accounts, since it has no information on the solvency status of the relevant receivables and since these amounts are still considered recoverable.

Change in allowance for doubtful accounts

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**(1,411)**	**(1,724)**
Impairment losses recognised during the year	(267)	(97)
Impairment losses subject to a reversal	-	1,029
Scope change	201	(529)
Translation difference	(45)	(90)
Other movements	(17)	-
BALANCE AS AT YEAR END	**(1,539)**	**(1,411)**

Aged balance of impaired receivables

(in thousands of €)	<3 months	3-6 months	6-12 months	>1 year	Total
As at 31 December 2022	270	339	507	423	1,539
As at 31 December 2021	450	378	353	230	1,411

NOTE 19. OTHER ASSETS

(in thousands of €)	31 December 2022	31 December 2021
Deposits and guarantees	703	731
Other non-current receivables	62	12
Total other non-current assets, gross amount	**765**	**743**
Provisions for impairment of other non-current assets	-	-
TOTAL OTHER NON-CURRENT ASSETS, NET AMOUNT	**765**	**743**
Tax and social security receivables	2,874	3,723
Consideration receivable on the capital increase in Sword GRC Group Ltd	-	683
Contingent consideration receivable on the disposal of Sword Sol	-	6,060
Deferred consideration receivable on the disposal of Sword GRC Group Ltd (Note 12)	11,380	-
Other current receivables	697	294
Total other current assets, gross amount	**14,951**	**10,760**
Provisions for impairment of other current assets	-	-
TOTAL OTHER CURRENT ASSETS, NET AMOUNT	**14,951**	**10,760**

The net carrying amount of the financial assets included in "other current assets" is a reasonable approximation of their fair value due to their short-term maturity. Other non-current assets were not revalued due to the small amounts involved. Financial assets included in "other assets" are classified as Level 2 of the fair-value hierarchy.

NOTE 20. CASH AND CASH EQUIVALENTS

(in thousands of €)	31 December 2022	31 December 2021
Cash and cash equivalents	57,138	55,276
Marketable securities	-	19
TOTAL	**57,138**	**55,295**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

(in thousands of €)	31 December 2022	31 December 2021
Cash and cash equivalents	57,138	55,295
Bank overdrafts (*)	(467)	(278)
TOTAL	**56,671**	**55,017**

(*) *Included in other current financial debt*

NOTE 21. PENSION PLANS

At the year end, the provisions for employee benefits consisted solely of provisions for post-employment benefits totalling €228,000 (2021: €222,000). Post-employment benefits fall under defined-contribution pension plans and defined-benefit pension plans.

21.1 Defined-benefit pension plans

This type of plan aims to award certain Group employees, under certain conditions, pension benefits when they decide to retire. There were 257 such employees as at 31 December 2022 (2021: 202).

The pension obligations were not subject to external coverage.

Pension obligations and similar benefits are valued internally under the supervision of the Group's Finance Department.

Items relating to post-employment benefits in comprehensive income can be analysed as follows:

(in thousands of €)	31 December 2022	31 December 2021
Current service cost	(18)	8
Financial cost	(3)	2
Items recognised in profit or loss for the year	**(21)**	**10**
TOTAL	**(21)**	**10**

The current service cost is recognised in personnel expenses in the income statement. The financial costs are recognised in the financial result.

21.2 Actuarial assumptions

The obligations were measured internally on the basis of assumptions updated regularly and reviewed annually. The following assumptions were adopted:

	31 December 2022	31 December 2021
Discount rate (*)	3.20%	0.87%
Adjustment rate for annual salaries	1.50% and 1.70%	1.50% and 1.70%
Social security contribution rate	41%	45%
Retirement age	60-67 years old	60-67 years old
Staff rotation	(**)	(**)
Mortality table	INSEE 2019/ EVK 2000	INSEE 2019/ EVK 2000

(*) *The discount rate is based on the iBoxx AA corporate bond index 10+.*
(**) *Variable depending on geographical area.*

The average duration of the obligation in respect of services as at 31 December 2022 is less than one year (the same as in 2021).

21.3 Change in the present value of obligations

(in thousands of €)	31 December 2022	31 December 2021
Balance as at opening	**222**	**235**
Current service cost	18	(8)
Financial cost	3	(2)
Other	(15)	(3)
BALANCE AS AT YEAR END	**228**	**222**

Since the amounts provided are not significant at Group level, other disclosures under IAS 19 were omitted, specifically a sensitivity analysis showing the impact of changes made to certain actuarial assumptions on the value of pension-benefit commitments.

NOTE 22. OTHER PROVISIONS

(in thousands of €)	2022	2021
Balance as at opening	**1,086**	**150**
Allocations to provisions	176	630
Reversals of used provisions	(545)	(25)
Deconsolidations	(387)	-
Translation differences	(16)	34
Other movements	42	297
BALANCE AS AT YEAR END	**356**	**1,086**
Current	343	749
Non-current	13	337

Allocations to/reversals of provisions for litigation risks are included in "Other non-recurring items" in the consolidated income statement.

NOTE 23. OTHER FINANCIAL DEBTS

23.1 Breakdown of other financial debts by type

(in thousands of €)	31 December 2022	31 December 2021
Bank loans and lines of credit	18,000	-
Non-current financial debts	**18,000**	**-**
Bank overdrafts	467	278
Current financial debts	**467**	**278**
TOTAL FINANCIAL DEBTS	**18,467**	**278**

23.2 Maturity schedule

(in thousands of €)	31 December 2022	31 December 2021
Bank loans and other financial debts		
Less than one year	467	278
Between one and five years	18,000	-
More than five years	-	-
TOTAL	**18,467**	**278**

23.3 Available lines of credit

(in thousands of €)	31 December 2022	31 December 2021
Authorised amount	**90,000**	**90,000**
Less than one year	20,000	-
Between one and five years	70,000	90,000
More than five years	-	-
Amount drawn down	**18,000**	**-**
Less than one year	-	-
Between one and five years	18,000	-
More than five years	-	-
Available amount	**72,000**	**90,000**
Less than one year	20,000	-
Between one and five years	52,000	90,000
More than five years	-	-

If borrowings are needed, the Group's banking arrangements require compliance with financial ratios: a "net consolidated financial debt/consolidated EBITDA" ratio of less than 3 or 3.5 depending on the contracts, and a "net consolidated financial debt/consolidated equity" ratio of less than 1.

23.4 Change in financial debts

The change in financial debts (including lease obligations) during the years 2022 and 2021 is included in cash flows from financing activities (see the consolidated statement of cash flows).

NOTE 24. TRADE AND OTHER PAYABLES

(in thousands of €)	31 December 2022	31 December 2021
Trade payables	9,673	8,957
Accrued invoices	12,098	14,301
Other	2,812	1,705
TOTAL	**24,583**	**24,963**

NOTE 25. OTHER LIABILITIES

(in thousands of €)	31 December 2022	31 December 2021
Commitment to repurchase securities held by minority shareholders/ Co-investors (see Note 10) (*)	31,819	48,775
Contingent consideration on the additional acquisition of shares in Lemonade Software Development S.L. (Note 5.2.)	600	-
Other	69	107
TOTAL OTHER NON-CURRENT LIABILITIES	**32,488**	**48,882**
Value-added tax and other taxes	6,982	7,175
Social security and other social bodies	6,425	5,425
Commitment to repurchase securities held by minority shareholders/ Co-investors (see Note 10) (*)	11,937	15,929
Deferred consideration on the additional acquisition of shares in Lemonade Software Development S.L.	700	-
Contingent considerations on the acquisition of:		
- Ping Network Solutions Ltd (Note 11)	8,517	-
- Phusion IM Ltd (Note 11)	507	-
- Almaz Informatique S.A.	-	290
- AiM Holding S.A.	152	387
- Codify Ltd	-	1,136
Other	367	452
TOTAL OTHER CURRENT LIABILITIES	**35,587**	**30,794**

(*) Under netting arrangements, the amounts to be reimbursed to Sword Group SE by minority shareholders/Co-investors come to €10,625,000 (2021: €25,779,000) and have been presented as a deduction from financial debts related to commitments to repurchase securities valued at €54,381,000 (2021: €88,927,000). See Note 10.2.3.

NOTE 26. TAXES

26.1 Breakdown of tax expense

(in thousands of €)	31 December 2022	31 December 2021
Tax on profit recognised in profit or loss		
Current tax	2,919	3,830
Deferred tax	(564)	(174)
TOTAL	**2,355**	**3,656**

26.2 Reconciliation between theoretical and actual tax

(in thousands of €)	31 December 2022	31 December 2021
Profit before tax	112,133	21,530
Tax rate in force in Luxembourg	28.00%	28.00%
Effective tax burden	**31,397**	**6,028**
Impact:		
- Expenses not deductible in determining taxable profit	8,819	2,191
- Revenue exempt from taxation	(74)	(172)
- Differences in tax rate on profit of foreign subsidiaries	(1,937)	(2,075)
- Gain on disposal at reduced rate	(26,838)	-
- Use of previously non-capitalised tax losses	(959)	(3,034)
- Non-capitalised tax on losses	848	355
- Other	(8,901)	363
Effective tax burden	**2,355**	**3,656**
EFFECTIVE TAX RATE	**2.10%**	**16.98%**

26.3 Breakdown of deferred tax assets and liabilities by type

(in thousands of €)	Balance as at 31 December 2021	Recognised in profit or loss	Recognised in other comprehensive income	Scope changes	Balance as at 31 December 2022
Deferred tax assets/(liabilities)					
Intangible assets	(1,504)	650	23	(865)	**(1,696)**
Deferred income	(130)	2	(6)	-	**(134)**
Provisions	54	-	-	-	**54**
	(1,580)	**652**	**17**	**(865)**	**(1,776)**
Tax losses	689	(89)	1	-	**601**
DEFERRED TAX ASSETS/(LIABILITIES)	**(891)**	**563**	**18**	**(865)**	**(1,175)**

26.4 Balance of deferred tax assets and liabilities

(in thousands of €)	31 December 2022	31 December 2021
Deferred tax assets	655	743
Deferred tax liabilities	(1,830)	(1,634)
NET DEFERRED TAXES	**(1,175)**	**(891)**

As at 31 December 2022, recognised deferred tax assets mainly included tax losses carried forward at the UK company AAA Ltd, amounting to €315,000 (2021: €253,000), and the Swiss company AiM Services S.A., amounting to €244,000 (2021: €384,000). The recognition of this deferred tax asset is justified in particular by the synergy operations implemented in their respective regions to improve their situation.

26.5 Unrecognised tax deficits

As at the reporting date, the Group had, in various tax jurisdictions, tax losses of around €23,451,000 (2021: €25,977,000) that are available to offset the future taxable profits of companies in which the tax losses arose, and for which no deferred tax asset was recognised due to the uncertainty of it being recovered. These unrecognised tax losses expire as follows:

(in thousands of €)	31 December 2022	31 December 2021
No expiry	10,808	13,815
Less than one year	-	22
Between one and two years	61	97
Between two and three years	190	59
Between three and five years	1,101	1,212
More than five years	11,291	10,772
TOTAL	**23,451**	**25,977**

NOTE 27. PERSONNEL EXPENSES

(in thousands of €)	31 December 2022	31 December 2021
Gross remuneration	(101,935)	(83,986)
Social security contributions	(15,551)	(12,308)
Other benefits	(1,676)	(758)
TOTAL	**(119,162)**	**(97,052)**

The Group's average headcount is:

	31 December 2022	31 December 2021
Billable headcount	1,578	1,165
Non-billable headcount	213	184
TOTAL	**1,791**	**1,349**

Employee pension benefits for which provisions have been made as at the reporting date are presented in Note 21.

As at 31 December 2022 and 31 December 2021, the Group had no stock-option plans in place.

NOTE 28. OTHER EXTERNAL CHARGES

As at 31 December 2022, other external charges principally comprised subcontracting costs of €78,433,000 (2021: €65,034,000).

NOTE 29. ALLOCATIONS TO PROVISIONS AND REVERSALS OF PROVISIONS

(in thousands of €)	31 December 2022	31 December 2021
Allocations to provisions for retirement benefits	(23)	(4)
Reversals of provisions for retirement benefits	2	14
Allocations to other provisions	(56)	(106)
Reversals of other provisions	150	-
Allowances for doubtful accounts	(267)	(97)
Reversals of allowances for doubtful accounts	-	1,029
TOTAL	**(194)**	**836**

NOTE 30. INCOME FROM DISPOSALS OF ASSETS AND SUBSIDIARIES

(in thousands of €)	31 December 2022	31 December 2021
Disposal costs	(3,586)	(97)
Income from the disposal of non-consolidated securities	-	1
Income from the disposal of consolidated securities (*)	102,433	487
Income from the disposal of property, plant and equipment	(20)	2
Income from the disposal of intangible assets	(386)	-
TOTAL	**98,441**	**393**

(*) The income from the disposal of consolidated securities is made up of the capital gain on the sale of GRC, in the amount of €106,598,000 (see Note 12.1), and the adjustment of the contingent consideration relating to the disposal of Sword Sol, amounting to €4,040,000 (see Note 5.2).

NOTE 31. IMPAIRMENT LOSS ON ASSETS

(in thousands of €)	31 December 2022	31 December 2021
Impairment loss on intangible assets (*)	(1,114)	(30)
TOTAL	**(1,114)**	**(30)**

(*) Related to product obsolescence.

NOTE 32. OTHER NON-RECURRING ITEMS

(in thousands of €)	31 December 2022	31 December 2021
Litigation costs (1)	(1,073)	(596)
Restructuring costs	(762)	(969)
Acquisition costs	(1,329)	(955)
Other expenses (2)	(4,212)	(1,389)
Other income	413	109
TOTAL	**(6,963)**	**(3,800)**

(1) The litigation is mainly commercial and employment-related.

(2) Other expenses mainly consist of €1,798,000 in redundancy costs and €802,000 in compensation for breach of lease.

NOTE 33. FINANCIAL RESULT

(in thousands of €)	31 December 2022	31 December 2021
Interest expense on loans and financial debt	(372)	(194)
Interest expense on lease obligations	(220)	(161)
NET FINANCIAL DEBT COST	**(592)**	**(355)**
Foreign-exchange gain	2,281	2,346
Foreign-exchange loss	(3,364)	(5,190)
Changes in fair value of derivatives	102	-
Changes in fair value of contingent considerations	249	576
Changes in fair value for commitments to repurchase securities held by minority shareholders/Co-investors	(3,826)	4,488
Other financial income	257	635
Other financial expenses	(535)	(115)
FINANCIAL RESULT	**(5,428)**	**2,385**

NOTE 34. EARNINGS PER SHARE

(in thousands of € and units of account)	31 December 2022	31 December 2021
Profit for the year attributable to the Company's owners	**109,755**	**17,653**
Weighted average number of ordinary shares in circulation	9,534,798	9,539,576
Impact of dilutive instruments	-	-
Diluted weighted average number of shares	9,534,798	9,539,576
Earnings per share		
Base net earnings per share	11.51	1.85
Diluted net earnings per share	11.51	1.85

NOTE 35. SHARE CAPITAL

As at 31 December 2022, the share capital stood at €9,545,000 (unchanged from 31 December 2021), represented by 9,544,965 shares (also unchanged from 31 December 2021) with a par value of €1 each, fully paid up.

NOTE 36. OWNSHARES

During 2022, 75,639 own shares (2021: 116,887 own shares) were acquired, costing in total €3,113,000 (2021: €4,646,000), and 69,248 own shares (2021: 125,684 own shares) were sold, bringing in a total of €2,940,000 (2021: €4,993,000).

As at 31 December 2022, there were 10,195 own shares (2021: 3,804 own shares).

NOTE 37. DIVIDENDS

2022
At its meeting on 8 March 2022, the Board of Directors resolved to pay shareholders a dividend of €10.00 per share, resulting in a payout of €95,414,000.

2021
At its meeting on 3 March 2021, the Board of Directors resolved to pay shareholders a dividend of €4.80 per share, resulting in a payout of €45,809,000.

NOTE 38. RELATED-PARTY TRANSACTIONS

38.1 Remuneration for members of the Board of Directors and management

(in thousands of €)	31 December 2022	31 December 2021
Short-term benefits:		
- Gross (excluding benefits in kind)	820	1,001
- Employer contributions	124	131
- Benefits in kind	53	88
Directors' fees	180	153
Other fees	303	-
TOTAL	**1,480**	**1,373**

Such remuneration pertained to 13 members of the Board of Directors and management (2021: also 13).

38.2 Other

Financière Sémaphore, which holds a 17.9% interest in the Group, provided the following services:

(in thousands of €)	31 December 2022	31 December 2021
Management fees	350	350
Fees related to disposals	500	200
TOTAL	**850**	**550**

During the year ended 31 December 2022, a company controlled by a Company director supplied Group companies with accounting and administrative services totalling €865,000 (2021: €285,000).

As at 31 December 2022, commitments to repurchase minority interests held by members of the Group's management in certain subsidiaries amounted to €22,085,000.

The Group granted loans of €5,765,000 (2021: €16,042,000) to members of the Group's management to finance the acquisition of minority interests held by these members in certain subsidiaries. These loans bear interest at a rate of 2% per annum and mature between 2023 and 2025. See Notes 10.2 and 10.3.

Ruitor S.à r.l., a company controlled by Financière Sémaphore, provided the Group with offices in Luxembourg at a cost of €167,000 (2021: €163,000).

NOTE 39. OFF-BALANCE-SHEET COMMITMENTS

(in thousands of €)	31 December 2022	31 December 2021
Sureties for third parties	**36**	**36**
Less than one year	-	-
Between one and five years	36	36
More than five years	-	-
Other guarantees issued [(1)]	**511**	**511**
Less than one year	11	11
Between one and five years	500	500
More than five years	-	-
TOTAL	**547**	**547**

[(1)] *Including performance guarantees.*

NOTE 40. CONTINGENT LIABILITIES

As at 31 December 2022 and 31 December 2021, there was no significant risk of contingent liabilities.

NOTE 41. AUDITORS' FEES

The table below details the amount of the auditors' fees for the years 2022 and 2021:

	Mazars Luxembourg		**Other**	
(in thousands of €)	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Auditors & certification (separate & consolidated)	326	265	326	469
Legal, tax and management consulting	-	-	78	76
Other	-	-	31	7
TOTAL	**326**	**265**	**435**	**552**

NOTE 42. SUBSEQUENT EVENTS

No significant events have occurred since the reporting date for the consolidated financial statements.

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To the Shareholders of
Sword Group S.E.
Société européenne

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Sword Group S.E.** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation Nº 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Company Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasons for which a key audit matter has been raised	Response to the identified key audit matter
Goodwill impairment	
As at 31 December 2022, goodwill stands at a net value of KEUR 71,227. Under the IFRS standards as adopted by the EU, the Company must perform a goodwill impairment test at least once a year. Impairment tests are significant for our audit in light of the complexity of the valuation process and the judgement and the assumptions adopted which are subject to economic developments and future business conditions.	We checked the cash-flow forecasts included in the annual goodwill impairment tests by considering the exact nature of previous forecasts. For our audit, we also critically examined and tested the key assumptions, methodologies, weighted average cost of capital and other data used and issued by management, for example comparing them with external and historical data, such as external market growth forecasts. We performed a sensitivity analysis within the framework of the valuation model used by the Group. Our department specialised in assessing valuations was integrated into the audit team to assist us with these activities. We focused on the sensitivity of the available margin in cash-generating units, evaluating whether any reasonable change in the assumptions could cause the net carrying amount to exceed the estimated value. We assessed the accuracy of previous estimates made by the Board of Directors. We also verified the appropriacy of the information in Note 13.3 to the consolidated financial statements.
Key observations communicated to those charged with governance	We have no comment based on the audit procedures carried out on this key audit matter.

Reasons for which a key audit matter has been raised	Response to the identified key audit matter
Revenue recognition	
As detailed in Note 7 to the financial statements, the Group sells its services to various customers and operates in a range of geographical and business sectors. International Standards on Auditing require auditors to assume a fraud risk in revenue recognition when initially assessing the risk of material misstatements.	Our activities include assessing the revenue recognition method for complex contracts. Drawing on the work already carried out by the subsidiaries' auditors, we tested the design and effectiveness of the controls implemented by management relating to analysing revenue recognition and identifying unusual contractual clauses
Some of the Group's revenue is generated by large-scale, complex contracts. As a result, it is necessary to assess the conditions under which risks and benefits are transferred to the buyer, in order to evaluate whether the income and expenses should be recognised in the current period.	Our activities included random testing of documentation indicating the delivery of licences or services, including contracts and correspondence with third parties, with a view to ensuring the accuracy and completeness of revenue recognition. We assessed the appropriacy of previous estimates made by management regarding the work in progress.
Key observations communicated to those charged with governance	We have no comment based on the audit procedures carried out on this key audit matter.

Reasons for which a key audit matter has been raised	Response to the identified key audit matter
Commitments to repurchase securities held by Co-investors	
As detailed in note 25 of the appendices to the consolidated financial statements, the commitments to repurchase securities held by co-investors amounted to a net value of KEUR 43,756 as at 31 December 2022, detailed in note 25 to the consolidated financial statements. We considered that the valuation of the financial liability is significant for our audit, given the very significant impact of this financial liability on the group's total liabilities and on the degree of judgment involved in the valuation of this base, including the estimates on the basis of the achievement of future objectives	Our procedures include, among others, the valuation of the method of the various commitments in place to repurchase securities held by co-investors. We have carried out procedures including the reconciliation of historical data, the evolution of data in the medium term, the reasonableness of the assumptions made by the Board of Directors. We have carried out procedures relating to the existence of liabilities via direct confirmation with certain participations or reconciliation to contracts with certain participants. We have assessed the appropriateness of the estimates made by management
Key observations communicated to those charged with governance	We have no comment based on the audit procedures carried out on this key audit matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is 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 Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

Report on Other Legal and Regulatory Requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 28 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 11 years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website **http://www.sword-group.com**, is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the Audit Committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the Group it relates to:

- Financial statements prepared in a valid XHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2022, identified as swordgroup-2022-12-31.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 28 March 2023

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L – 1882 LUXEMBOURG

Olivier BIREN
Réviseur d'entreprises agréé

07 COMPANY FINANCIAL STATEMENTS

7 FINANCIAL STATEMENTS OF THE PARENT COMPANY AS AT 31 DECEMBER 2022

7.1 Balance sheet as at 31 December 2022

ASSETS

		Reference(s)		Current year		Previous year
A. Subscribed capital unpaid	1101		101	0,00	102	0,00
I. Subscribed capital not called	1103		103	0,00	104	0,00
II. Subscribed capital called but unpaid	1105		105	0,00	106	0,00
B. Formation expenses	1107		107	0,00	108	0,00
C. Fixed assets	1109		109	204 838 004,25	110	186 678 183,93
I. Intangible assets	1111		111	0,00	112	0,00
1. Costs of development	1113		113	0,00	114	0,00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	4.1	115	0,00	116	0,00
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117	0,00	118	0,00
b) created by the undertaking itself	1119		119	0,00	120	0,00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121	0,00	122	0,00
4. Payments on account and intangible assets under development	1123		123	0,00	124	0,00
II. Tangible assets	1125	4.2	125	756 742,47	126	422 043,96
1. Land and buildings	1127		127	0,00	128	0,00
2. Plant and machinery	1129		129	0,00	130	0,00
3. Other fixtures and fittings, tools and equipment	1131		131	756 742,47	132	5 731,22
4. Payments on account and tangible assets in the course of construction	1133		133	0,00	134	416 312,74
III. Financial assets	1135	5	135	204 081 261,78	136	186 256 139,97
1. Shares in affiliated undertakings	1137	5.1	137	204 081 261,78	138	183 230 365,68
2. Loans to affiliated undertakings	1139		139	0,00	140	0,00
3. Participating interests	1141		141	0,00	142	0,00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143	0,00	144	0,00
5. Investments held as fixed assets	1145	5.2	145	0,00	146	2 852 746,80
6. Other loans	1147		147	0,00	148	173 027,49

The notes in the annex form an integral part of the annual accounts.

ASSETS (continued)

		Reference(s)		Current year		Previous year
D. Current assets	1151		151	72 035 445,27	152	80 484 595,51
I. Stocks	1153		153	0,00	154	0,00
1. Raw materials and consumables	1155		155	0,00	156	0,00
2. Work in progress	1157		157	0,00	158	0,00
3. Finished goods and goods for resale	1159		159	0,00	160	0,00
4. Payments on account	1161		161	0,00	162	0,00
II. Debtors	1163		163	52 280 157,54	164	70 062 435,05
1. Trade debtors	1165		165	382 320,00	166	582 000,00
a) becoming due and payable within one year	1167		167	382 320,00	168	582 000,00
b) becoming due and payable after more than one year	1169		169	0,00	170	0,00
2. Amounts owed by affiliated undertakings	1171		171	40 984 906,34	172	37 596 733,87
a) becoming due and payable within one year	1173	9.1	173	40 984 906,34	174	37 596 733,87
b) becoming due and payable after more than one year	1175		175	0,00	176	0,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177	0,00	178	0,00
a) becoming due and payable within one year	1179		179	0,00	180	0,00
b) becoming due and payable after more than one year	1181		181	0,00	182	0,00
4. Other debtors	1183	6	183	10 912 931,20	184	31 883 701,18
a) becoming due and payable within one year	1185		185	4 390 441,84	186	21 494 262,89
b) becoming due and payable after more than one year	1187		187	6 522 489,36	188	10 389 438,29
III. Investments	1189		189	401 683,00	190	159 282,95
1. Shares in affiliated undertakings	1191		191	0,00	192	0,00
2. Own shares	1209	7.4	209	401 683,00	210	159 282,95
3. Other investments	1195		195	0,00	196	0,00
IV. Cash at bank and in hand	1197		197	19 353 604,73	198	10 262 877,51
E. Prepayments	1199		199	321 194,64	200	302 343,18
TOTAL (ASSETS)			201	277 194 644,16	202	267 465 122,62

The notes in the annex form an integral part of the annual accounts.

EQUITY AND LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301	7, 7.3	301	243 948 029,45	302	263 887 275,68
I. Subscribed capital	1303	7.1, 7.3	303	9 544 965,00	304	9 544 965,00
II. Share premium account	1305	7.1, 7.3	305	70 676 064,46	306	70 676 064,46
III. Revaluation reserve	1307		307	0,00	308	0,00
IV. Reserves	1309		309	1 356 179,50	310	1 113 779,45
1. Legal reserve	1311	7.2, 7.3	311	954 496,50	312	954 496,50
2. Reserve for own shares	1313	7.3, 7.4	313	401 683,00	314	159 282,95
3. Reserves provided for by the articles of association	1315		315	0,00	316	0,00
4. Other reserves, including the fair value reserve	1429		429	0,00	430	0,00
a) other available reserves	1431		431	0,00	432	0,00
b) other non available reserves	1433		433	0,00	434	0,00
V. Profit or loss brought forward	1319	7.3	319	86 896 206,72	320	171 940 840,09
VI. Profit or loss for the financial year	1321	7.3	321	75 474 613,77	322	10 611 626,68
VII. Interim dividends	1323	7.3	323	0,00	324	0,00
VIII. Capital investment subsidies	1325		325	0,00	326	0,00
B. Provisions	1331		331	0,00	332	0,00
1. Provisions for pensions and similar obligations	1333		333	0,00	334	0,00
2. Provisions for taxation	1335		335	0,00	336	0,00
3. Other provisions	1337		337	0,00	338	0,00
C. Creditors	1435		435	33 246 614,71	436	3 577 846,94
1. Debenture loans	1437		437	0,00	438	0,00
a) Convertible loans	1439		439	0,00	440	0,00
i) becoming due and payable within one year	1441		441	0,00	442	0,00
ii) becoming due and payable after more than one year	1443		443	0,00	444	0,00
b) Non convertible loans	1445		445	0,00	446	0,00
i) becoming due and payable within one year	1447		447	0,00	448	0,00
ii) becoming due and payable after more than one year	1449		449	0,00	450	0,00
2. Amounts owed to credit institutions	1355	8.1	355	18 128 652,81	356	32 667,81
a) becoming due and payable within one year	1357		357	128 652,81	358	32 667,81
b) becoming due and payable after more than one year	1359		359	18 000 000,00	360	0,00

The notes in the annex form an integral part of the annual accounts.

EQUITY AND LIABILITIES (continued)

		Reference(s)		Current year		Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361		361	0,00	362	0,00
a) becoming due and payable within one year	1363		363	0,00	364	0,00
b) becoming due and payable after more than one year	1365		365	0,00	366	0,00
4. Trade creditors	1367		367	1 860 788,06	368	1 204 227,78
a) becoming due and payable within one year	1369	8.2	369	1 860 788,06	370	1 204 227,78
b) becoming due and payable after more than one year	1371		371	0,00	372	0,00
5. Bills of exchange payable	1373		373	0,00	374	0,00
a) becoming due and payable within one year	1375		375	0,00	376	0,00
b) becoming due and payable after more than one year	1377		377	0,00	378	0,00
6. Amounts owed to affiliated undertakings	1379		379	12 968 587,59	380	1 940 134,92
a) becoming due and payable within one year	1381	9.1	381	12 968 587,59	382	1 940 134,92
b) becoming due and payable after more than one year	1383		383	0,00	384	0,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385	0,00	386	0,00
a) becoming due and payable within one year	1387		387	0,00	388	0,00
b) becoming due and payable after more than one year	1389		389	0,00	390	0,00
8. Other creditors	1451		451	288 586,25	452	400 816,43
a) Tax authorities	1393		393	1 700,00	394	370 181,79
b) Social security authorities	1395		395	5 618,55	396	5 634,64
c) Other creditors	1397		397	281 267,70	398	25 000,00
i) becoming due and payable within one year	1399		399	281 267,70	400	25 000,00
ii) becoming due and payable after more than one year	1401		401	0,00	402	0,00
D. Deferred income	1403		403	0,00	404	0,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)			405	277 194 644,16	406	267 465 122,62

The notes in the annex form an integral part of the annual accounts.

7.2 Income statement for the year ended 31 December 2022

PROFIT AND LOSS ACCOUNTS

		Reference(s)		Current year		Previous year
1. Net turnover	1701	9.1, 10	701	4 558 002,00	702	4 486 998,00
2. Variation in stocks of finished goods and in work in progress	1703		703	0,00	704	0,00
3. Work performed by the undertaking for its own purposes and capitalised	1705		705	0,00	706	0,00
4. Other operating income	1713	9.1	713	2 105 119,95	714	51 529,24
5. Raw materials and consumables and other external expenses	1671		671	-6 517 258,91	672	-3 139 508,33
a) Raw materials and consumables	1601		601	0,00	602	0,00
b) Other external expenses	1603	11	603	-6 517 258,91	604	-3 139 508,33
6. Staff costs	1605	12	605	-187 207,79	606	-248 366,51
a) Wages and salaries	1607		607	-170 038,28	608	-223 496,33
b) Social security costs	1609		609	-17 169,51	610	-24 870,18
i) relating to pensions	1653		653	-11 036,49	654	-15 436,91
ii) other social security costs	1655		655	-6 133,02	656	-9 433,27
c) Other staff costs	1613		613	0,00	614	0,00
7. Value adjustments	1657		657	-10 903,41	658	-391 003,84
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	4	659	-160 903,41	660	-11 003,84
b) in respect of current assets	1661	9.1, 13.1	661	150 000,00	662	-380 000,00
8. Other operating expenses	1621	17	621	-621 020,03	622	-156 645,87

The notes in the annex form an integral part of the annual accounts.

PROFIT AND LOSS ACCOUNTS (continued)

		Reference(s)		Current year		Previous year
9. Income from participating interests	1715		715	71 538 067,21	716	2 361 140,94
a) derived from affiliated undertakings	1717	14	717	71 538 067,21	718	2 361 140,94
b) other income from participating interests	1719		719	0,00	720	0,00
10. Income from other investments and loans forming part of the fixed assets	1721	5.2	721	1 876 489,58	722	284 452,25
a) derived from affiliated undertakings	1723		723	0,00	724	0,00
b) other income not included under a)	1725	5.2	725	1 876 489,58	726	284 452,25
11. Other interest receivable and similar income	1727		727	1 584 012,99	728	3 231 348,00
a) derived from affiliated undertakings	1729	9.1	729	772 009,58	730	885 579,86
b) other interest and similar income	1731		731	812 003,41	732	2 345 768,14
12. Share of profit or loss of undertakings accounted for under the equity method	1663		663	0,00	664	0,00
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	13.2	665	6 581 231,34	666	4 997 285,55
14. Interest payable and similar expenses	1627		627	-5 042 899,16	628	-271 607,75
a) concerning affiliated undertakings	1629	9.1	629	-4 125 563,31	630	-2 119,42
b) other interest and similar expenses	1631	8.1	631	-917 335,85	632	-269 488,33
15. Tax on profit or loss	1635	15	635	0,00	636	0,00
16. Profit or loss after taxation	1667		667	75 863 633,77	668	11 205 621,68
17. Other taxes not shown under items 1 to 16	1637	15	637	-389 020,00	638	-593 995,00
18. Profit or loss for the financial year	1669		669	75 474 613,77	670	10 611 626,68

The notes in the annex form an integral part of the annual accounts.

7.3 Notes for the year ended 31 December 2022

Note 1: General information

Sword Group SE, hereinafter referred to as "the Company", is a European company (*Societas Europaea*, or SE) whose registered office was transferred on 26 March 2012 from France to Luxembourg.

The Company's purpose is:

- to acquire by way of participation, contribution, subscription, underwriting, option or negotiation or in any other manner any securities, titles, rights, patents and licences and other rights in rem, personal rights and interests, such as the Company deems necessary;
- generally to hold, manage, develop and sell them in whole or in part, for the price that the Company deems fit and in particular in return for shares or securities of any company purchasing them;
- to conclude, assist with or take part in financial, business or other transactions;
- to grant to any holding company, subsidiary or any other company associated in one way or another with the Company or any company belonging to the same group of companies (the "Associate") any assistance, loans, advances, guarantees or sureties (in the last two cases, including to third parties lending to the Associate);
- to borrow or raise funds in any manner whatsoever and to guarantee the repayment of any borrowed funds;
- to provide administrative consultancy and other services or carry out any research, development and supervisory activities, and any consultancy and production activities in the field of information systems;
- generally to conduct any type of activity that might seem incidental or facilitate the attainment of any or all of the aforementioned purposes;
- to conduct any commercial, technical and financial tasks, directly or indirectly connected to the areas described above, to facilitate the accomplishment of its purpose;
- to act directly or indirectly and carry out all these operations on its own behalf or on behalf of third parties, either alone or with any other person or company, either by itself or in association with company groupings or associations, and to do so in any form;
- to acquire interests and shareholdings in any companies or business deals of any nature whatsoever.

The Company, having its registered office in Windhof, was established for an indefinite period on 22 June 2001.
The Company prepares consolidated financial statements in accordance with the Law of 19 December 2002 on the accounting and annual accounts of companies in Luxembourg, as amended (hereinafter referred to as "the Law of 19 December 2002, as amended"). The Company is listed on NYSE Euronext in Paris under ISIN number FR0004180578.
The consolidated financial statements are available on the Company's website at the following address: https://www.sword-group.com/en/investors/

Note 2: Accounting principles

The Company keeps its books in euros. The financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical-cost convention. The financial year coincides with the calendar year.
Accounting policies and measurement rules are – besides the ones laid down by the Law of 19 December 2002, as amended – defined by the Board of Directors. The preparation of the financial statements requires the use of certain critical accounting estimates by the Board of Directors which exercises its judgement in the process of applying the accounting principles. Any change in accounting estimates can give rise to a significant impact on the financial statements. The Board of Directors believes that the assumptions associated with these estimates are appropriate and that the financial statements present the Company's financial position and results fairly.
The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The COVID-19 pandemic and the war in Ukraine had no negative impact on the activities of Group subsidiaries. The Group experienced organic growth of 28.5% on a like-for-like basis, generating a consolidated EBITDA of 12.9%.
Consequently, the going concern basis remains appropriate.

Note 3: Measurement rules

3.1 Intangible assets

Intangible assets are recognised on the assets side of the balance sheet at historical cost, including incidental expenses, less depreciation calculated based on the estimated lives of property and allowances. Allowances are not continued if the reasons behind them no longer apply. This item, depreciated at a straight-line rate of 33%, is represented by a software licence and a website.

3.2 Property, plant and equipment

Property, plant and equipment is recognised on the assets side of the balance sheet at historical cost, including incidental expenses, less depreciation calculated based on the estimated lives of property and allowances. Allowances are not continued if the reasons behind them no longer apply. This item is depreciated at a straight-line rate of 20% and is represented by computer hardware.

3.3 Financial assets

Financial assets are valued at historical cost, including incidental expenses or par value (loans and receivables). In the event of an impairment which, in the opinion of the Board, is of a permanent nature, financial assets are subject to allowances. Allowances are not continued if the reasons behind them no longer apply.
To determine the existence of any allowances relating to investments in associates, the Board of Directors took as its basis the difference between the net carrying amount of each investment and the relevant recoverable amount, determined on the basis of three-year cash-flow forecasts.

3.4 Receivables

Receivables are recognised at their par value. They are subject to allowances when their recovery is compromised. Allowances are not continued if the reasons behind them no longer apply.

3.5 Securities

The securities represented by shares in money market funds are measured at their fair value which is the latest price available as at the reporting date. Unrealised gains and losses are recognised in the profit and loss account.

The securities represented by own shares in the Company are measured at their acquisition price, including incidental expenses. An allowance is recognised when the historical cost is less than the market price. According to the provisions of Article 430-18 of the Law of 10 August 1915 on commercial companies, as amended, an unavailable reserve with the value of own shares included in the balance sheet has been established on the liabilities side.
The market value corresponds to the latest price available on the day of valuation for securities officially allowed to be listed on the exchange or on another regulated market.

3.6 Deferred charges and accrued income

This item comprises expenses recognised during the year but which are attributable to a subsequent year.

3.7 Provisions

At the end of each year, provisions are made to cover losses or debts which are clearly defined in nature but which as at the reporting date are either probable or certain and yet the amount or date of payment is uncertain, for all foreseeable risks and costs. Provisions relating to previous years are reviewed regularly and reversed through profit or loss if they are no longer required.

3.8 Payables

Payables are recognised at their reimbursement value. Payables are recognised as contingent liabilities when their status is subject to unsecured debts.

3.9 Conversion of foreign-currency accounts

All transactions denominated in a currency other than the euro are recognised at the exchange rate prevailing as at the transaction date. As at the reporting date:

- all assets denominated in currencies other than the euro, with the exception of bank deposits, securities, short-term receivables and fixed assets, are individually valued at the lower of the value based on the historical exchange rate or the value based on the exchange rate prevailing as at the reporting date;
- all liabilities denominated in currencies other than the euro, with the exception of short-term debt, are valued individually at the higher of the value based on the historical exchange rate or the value based on the exchange rate prevailing as at the reporting date;
- bank deposits, securities, receivables and short-term debt, by their liquid nature, denominated in currencies other than the euro, are valued at the exchange rate prevailing as at the reporting date;
- all fixed assets denominated in currencies other than the euro are converted into euros at the historical exchange rate prevailing as at the transaction date. As at the reporting date, these fixed assets are converted at the historical exchange rate.
- Income and expenses in currencies other than the euro are converted into euros at the exchange rate prevailing as at the transaction date. Therefore, only realised foreign-exchange gains and losses and unrealised foreign-exchange losses are recognised in the profit and loss statement.

3.10 Revenue

Revenue includes amounts resulting from services rendered by the Company to associates, net of any sales rebates and of value-added tax and other taxes related to revenue.

3.11 Derivative financial instruments

The Company may enter into financial instrument contracts such as options, swaps, futures or currency forward contracts. It initially records financial instruments at acquisition cost.

Note 4: Intangible assets and property, plant and equipment

4.1 Intangible assets

In the year ended 31 December 2022, intangible assets developed as follows:

	Concessions, patents and licences	Advances paid	TOTAL
Purchase price as at opening	317,448.53	-	317,448.53
Acquisitions	-	-	-
Transfers	-	-	-
Purchase price as at year end	317,448.53	-	317,448.53
Allowances as at opening	(317,448.53)	-	(317,448.53)
Charges for the year	-	-	-
Reversals for the year	-	-	-
Allowances as at year end	(317,448.53)	-	(317,448.53)
Net amount as at year end	**-**	**-**	**-**
Net amount as at opening	**-**	**-**	**-**

Note 4: Intangible assets and property, plant and equipment (continued)

4.2 Property, plant and equipment

In the year ended 31 December 2022, property, plant and equipment developed as follows:

	Plant and machinery	Other fixtures, tools and furniture	Advances paid	TOTAL
Purchase price as at opening	19,294.00	47,183.64	416,312.74	482,790.38
Acquisitions	-	-	495,601.92	495,601.92
Transfers	-	911,914.66	(911,914.66)	-
Disposals	-	-	-	-
Purchase price as at year end	19,294.00	959,098.30	-	978,392.30
Allowances as at opening	(19,294.00)	(41,452.42)	-	(60,746.42)
Charges for the year	-	(160,903.41)	-	(160,903.41)
Reversals for the year	-	-	-	-
Allowances as at year end	(19,294.00)	(202,355.83)	-	(221,649.83)
Net amount as at year end	**-**	**756,742.47**	**-**	**756,742.47**
Net amount as at opening	**-**	**5,731.22**	**416,312.74**	**422,043.96**

Note 5: Financial assets

In the year ended 31 December 2022, financial assets developed as follows:

	Shares in associates	Investments and other financial instruments held as fixed assets	TOTAL
Purchase price as at opening	202,174,869.68	4,071,550.02	206,246,419.70
Acquisitions	17,101,471.89	-	17,101,471.89
Disposals	(2,834,333.97)	(3,025,774.29)	(5,860,108.26)
Transfers	-	-	-
Purchase price as at year end	216,442,007.60	1,045,775.73	217,487,783.33
Allowance as at opening	(18,944,504.00)	(1,045,775.73)	(19,990,279.73)
Charges for the year	(496,519.82)	-	(496,519.52)
Reversals for the year	7,080,278.00	-	7,080,278.00
Amount carried forward from the year	-	-	-
Allowance as at year end	(12,360,745.82)	(1,045,775.73)	(13,406,521.25)
Net amount as at year end	**204,081,261.78**	**0.00**	**204,081,261.78**
Net amount as at opening	**183,230,365.68**	**3,025,774.29**	**186,256,139.97**

5.1 Shares in affiliated undertakings

During 2022, the Company performed the following intra-Group transactions:
- the acquisition of 3,095 shares in Sword Lebanon (Offshore) SAL, a company incorporated in Lebanon, for €16,934,871.89, i.e. 99.84% of the company's share capital;
- the sale of 518 shares in Sword Lebanon (Offshore) SAL, a company incorporated in Lebanon, for €2,834,333.97, i.e. 16.61% of the company's share capital;
- the acquisition of 166,600 shares in Sword Cyprus Ltd, a company incorporated in Cyprus, for €166,600, i.e. 83.30% of the company's share capital.

As at 31 December 2022, the Board of Directors believed that:
- for Sword Technologies S.A., Sword Solutions Inc., Sword Lebanon (Offshore) SAL and Sword Suisse Holding, the value of the companies exceeded the historical acquisition price, so no impairment was recorded on these shares as at 31 December 2022;
- for Sword Soft Ltd, an allowance reversal of €7,080,278.00 was recorded, bringing the total allowance to €8,824,667.00 as at 31 December 2022 (€15,904,945.00 in 2021);
- for Tipik Communication Agency S.A., an impairment of €491,849.82 was recorded, bringing the total impairment to €3,500,771.82 as at 31 December 2022 (€3,008,922.00 in 2021);
- for Le Connecteur S.à r.l., securities worth €4,670.00 were impaired, bringing the total impairment to €35,307.00 as at 31 December 2022 (€30,637.00 in 2021).

To determine the existence of any depreciations relating to investments in associates, the Board of Directors took as its basis the difference between the net carrying amount of each investment and the relevant recoverable amount, determined on the basis of three-year cash-flow forecasts.

As at 31 December 2022, shares in affiliated undertakings were represented by:

Subsidiary name	% held	Purchase price	Share of equity as at 31/12/2022	Share of profit or loss as at 31/12/2022	
Sword Soft Ltd, 1000 Great West Road, Brentford, Middlesex, TW8 9DW, England	100.00%	161,366,200.00	67,699,042	94,841,788	Audited
Sword Suisse Holding S.A., 19 Avenue des Baumettes, CH-1020 Renens, Switzerland	100.00%	31,013,650.42	38,124,507	14,498,672	Unaudited
Sword Lebanon (Offshore) SAL, Sodeco Road, Beirut, Lebanon	83.13%	14,100,537.92	3,410,353	1,666,891	Audited
Sword Technologies S.A., 2 Rue d'Arlon, LU-8399 Windhof, Luxembourg	55.29%	4,941,436.44	4,849,678	1,484,005	Audited
Tipik Communication Agency S.A., 270 Avenue de Tervueren, BE-1150 Brussels, Belgium	100.00%	3,500,771.82	1,080,575	136,356	Audited
Sword Solutions Inc., 30 Broad Street, 14th Floor, New York, NY 10004, United States	100.00%	1,302,000.00	1,826,092	16,689	Unaudited
Sword Cyprus Ltd, 121 Prodromou Street, Nicosia, Cyprus	83.30%	166,600	269,816	106,278	Unaudited
Le Connecteur S.à r.l., 6 Rue Claude Chappe, FR-69370 Saint-Didier-au-Mont-d'Or, France	100.00%	50,810.00	15,503	(4,670)	Unaudited
Sword Co-Investment Fund SCSp, 2 Rue d'Arlon, LU-8399 Windhof, Luxembourg	0.01%	1.00	PM	PM	Unaudited
		216,442,007.60			

5.2 Investments held as fixed assets

During 2022, the Company sold all of the shares it held in Coexya, namely 1,366,109 ordinary shares and 1,351,488 preference shares, generating a realised capital gain of €1,660,983.05.

As at 31 December 2022, the Board of Directors decided to:

- maintain the allowance of €1,045,775.73 for securities in Lyods Engineering Limited (formerly Lyodssoft HK), a company having its registered office in Hong Kong.

Note 6: Other receivables

During 2021 and 2020, the Company granted new loans in foreign currency to senior executives of Group subsidiaries in connection with financing the acquisition of interests in Group subsidiaries.
As at 31 December 2022, the amount of the loans and interest was €10,689,643.06, of which €6,522,489.36 was repayable in more than one year. The revaluation of these short-term receivables generated a foreign-exchange gain of €87,711.71. For the year ended 31 December 2022, these loans generated interest of €213,053.78.
During 2020, the Company sold all of the French service activities grouped within the parent entity, the Luxembourg company Sword Sol S.à r.l.
During 2022, the Company received an additional payment of €1,986,988.73 in connection with this sale (€2,426,892 in 2021), entailing a loss of €4,079,688.09 recognised under "Interest and other finance costs regarding associates" due to the fact that the Company had recognised an additional payment receivable of €6,066,676.82 as at 31 December 2021.

As at 31 December 2022 and 31 December 2021, other receivables were therefore as follows:

	2022	2021
Receivables due within one year		
Loans to Group directors	4,167,153.70	15,427,586.07
VAT receivables	223,288.14	-
Additional payment receivable for Coexya	-	6,066,676.82
	4,390,441.84	**21,494,262.89**
Receivables due in more than one year		
Loans to Group directors	6,522,489.36	10,389,438.29
	6,522,489.36	**10,389,438.29**

Note 7: Equity

7.1 Subscribed capital

As at 31 December 2022 and 31 December 2021, share capital stood at €9,544,965, represented by 9,544,965 shares with a par value of €1 each, fully paid up. The share capital is accompanied by a share premium of €70,676,064.46.

7.2 Legal reserve

Each year, a fixed percentage of 5% of the net profit, after absorption of deferred losses, if applicable, will be allocated to the legal reserve. The deduction will no longer be compulsory when the reserve reaches 10% of the share capital. The reserve cannot be distributed.

7.3 Changes in equity accounts

For the period ended 31 December 2022, the changes were as follows:

	01/01/2022	Allocation of profit or loss	Profit for the year	Dividends paid	Own shares	31/12/2022
Share capital	9,544,965.00					9,544,965.00
Share premium	70,676,064.46					70,676,064.46
Legal reserve	954,496.50					954,496.50
Reserve for own shares	159,282.95				242,400.05	401,683.00
Profit or loss carried forward	171,940,840.09	10,611,626.68		(95,413,860.00)	(242,400.05)	86,896,206.72
Interim dividends	-	-				-
Profit for the year	10,611,626.68	(10,611,626.68)	75,474,613.77			75,474,613.77
TOTAL	**263,887,275.68**	**-**	75,474,613.77	**(95,413,860.00)**	**-**	243,948,029.45

7.4 Own Shares

As at 31 December 2022, there were 10,195 own shares recognised, amounting to a total of €401,683.00, recognised under "Securities".
According to the provisions of Article 430-18 of the Law of 10 August 1915 on commercial companies, as amended, an unavailable reserve for the amount of own shares included in the balance sheet has been established on the liability side, i.e. a total amount of €401,683.00.
Own shares listed as securities were acquired to support the market price of the Sword Group share.

Note 8: Debts

8.1. Amounts owed to credit institutions

No bank debt has a maturity of over five years. No debt is covered by collateral. As at 31 December 2022, the breakdown of bank debt was as follows:

	Amount drawn down	Authorised amount
Bank debt due in more than one year	18,000,000.00	70,000,000.00
Bank debt due within one year	-	20,000,000.00
Interest and commission payable	128,652.81	-
	18,128,652.81	90,000,000.00

Classification of amounts owed to credit institutions due in more than one year:
Bank debt due in more than one year comprises floating-rate syndicated loans that are subject to drawdowns by the Company in the form of promissory notes whose term can vary from one to six months. To classify outstanding promissory notes as at year end as financial debt due in more than one year, the following aspects were taken into account:

- the ability of the Company, without opposition on the part of the banks that granted the loans, to renew the drawdowns for a period of at least one year (all credit openings valid as at 31 December 2022 cannot be reduced by the banks within a 12-month period);
- the Company's desire to utilise that form of funding within the 12 months ahead.

Bank covenants
The Company pledges to maintain, in accordance with the covenant clauses:

- a net consolidated financial debt/consolidated EBITDA ratio of less than 3 or 3.5, depending on the agreement;
- a net consolidated financial debt/consolidated equity ratio of less than 1.

Should the Company fail to comply with the aforementioned covenants, the lending banks can demand the reimbursement of the outstanding loan. As at 31 December 2022, the Company complied with these covenants, as there were no outstanding loans.

8.2. Debts on purchases and services

As at 31 December 2022 and 31 December 2021, debts on purchases and services were as follows:

	2022	**2021**
Trade payables	844,277.58	543,452.93
Trade payables – Invoices not received	1,016,510.48	660,774.85
	1,860,788.06	**1,204,227.78**

The increase in debts on purchases and services is mainly related to exceptional fees in connection with acquisitions and disposals of Group subsidiaries.

Note 9: Related-party transactions

9.1 In respect of affiliated undertakings

As at 31 December 2022, balance-sheet items in respect of **affiliated undertakings** were as follows:

	Amounts owed by affiliated undertakings falling due in less than one year	**Amounts owed to affiliated undertakings falling due in less than one year**
Sword Technologies S.A. (LU)	17,249,723.19	-
Sword Co-Investment Fund SCSp (LU)	14,695,984.54	-
Sword Suisse Holding (CH)	-	11,342,886.98
Charteris (UK)	5,165,553.40	-
Sword Soft Ltd (UK)	1,984,867.26	-
Sword Sol Inc. (USA)	-	1,570,529.23
Tipik Communication Belgium (BE)	1,255,744.87	-
Sword Software France (FR)	487,730.08	-
Miscellaneous associates	145,303.00	55,171.38
	40,984,906.34	12,968,587.59

The main balance-sheet items listed above were generated primarily by cash pooling. The main current accounts between Group companies were paid at rates corresponding to the market conditions applicable to each subsidiary, ranging from 0.15% to 2.25% for the period from 1 January to 31 July 2022 and from 0.63% to 4.3% for the period from 1 August to 31 December 2022.

During the year ended 31 December 2022, the following events occurred:

- The Company took back €350,000.00 under a clawback provision vis-à-vis the current account of Sword Technologies S.A. As at 31 December 2022, there was a current-account waiver with a clawback provision vis-à-vis Sword Technologies amounting to €7,285,000.00. The Sword Technologies current-account total of €17,249,723.19 factors in this current-account waiver.

- The Company wrote off €200,000 under a clawback provision vis-à-vis the current account of Tipik Communication Agency S.A. As at 31 December 2022, there was a current-account waiver with a clawback provision vis-à-vis Tipik Communication Agency amounting to €11,354,381.96. The Tipik Communication Agency current-account total of €1,255,744.87 factors in this current-account waiver.

For the year ended 31 December 2022, the main types of income and expenses in respect of **affiliated undertakings** were as follows:

	Expenses	**Income**
Management services	-	4,558,002.00
Direct recharging of specific expenses	-	2,010,060.00
Dividends received from associates		71,538,067.21
Adjustment of additional payment on disposal of associates	4,079,688.09	-
Subcontracting/miscellaneous fees	533,872.00	-
Other miscellaneous expenses/income	318,694.69	-
Interest on cash-pooling current account	45,875.22	772,009.58
Current-account waiver/reversal with clawback provision	200,000.00	350,000.00
	5,178,130.00	79,228,138.79

-

Note 9: Related-party transactions (continued)

9.2 In respect of non-consolidated companies sharing common senior executives

For the year ended 31 December 2022, Financière Sémaphore S.à r.l., a company incorporated in Luxembourg, invoiced the following services:

- assistance with the Company's general management: €349,999.92;
- success fees related to sales/acquisitions: €500,000.00.

The Group used transport services worth a total of €255,247.97 provided by a subsidiary of Financière Sémaphore.

Note 10: Net turnover

During the year ended 31 December 2022, revenue was €4,558,002.00 and comprised services for all of the Group's subsidiaries as well as recharging of specific expenses.
The breakdown by geographical area was as follows:

- Europe: 95%;
- Asia: 4%;
- America: 1%;
- Oceania: immaterial.

Note 11: Other external charges

During the years ended 31 December 2022 and 31 December 2021, other external charges comprised acquisition and sale fees, amounting to €3,307,165.77 and €521,898.50 respectively, and fees relating to managing the holding company and its subsidiaries, amounting to €3,210,093.14 and €2,617,609.83 respectively.

Note 12: Staff

During the year ended 31 December 2022, the number of Company employees averaged one person (compared with 1.5 in 2021).

Note 13: Value adjustments (charges and write-backs)

13.1 Value adjustments on current assets

For the year ended 31 December 2022, allowances on current assets comprised the following items:

- a waiver with current-account clawback provision in respect of associates: €200,000.00 (see Note 9.1);
- a reversal of a waiver with current-account clawback provision in respect of associates: €350,000.00 (see Note 9.1).

13.2 Value adjustments and reversals of value adjustments on financial assets and on securities that are part of current assets

For the year ended 31 December 2022, Value adjustments and reversals of value adjustments on financial assets and on securities that were part of current assets comprised the following items:

- an allowance on Tipik Communication Agency S.A. securities (€491,849.82) and one on Le Connecteur securities (€4,670.00) and a reversal of an allowance on Sword Soft Ltd securities (€7,080,278.00) (see Note 5.1);
- a value adjustment on own shares recognised under "Securities" (€2,526.84).

Note 14: Income from participating interests

Income from participating interests was represented by a dividend of €71,538,067.21 from its subsidiary Sword Soft Ltd (see Note 5.1).

Note 15: Taxation

The Company is subject to all taxes applicable to companies with share capital.

Note 16: Off-balance-sheet commitments

As at 31 December 2022, the Company had no specific off-balance-sheet commitments. In general, the Company issues letters of financial support on behalf of Group subsidiaries as part of their client contracts which require a performance guarantee.
During 2022, the Company paid a premium of €180,000.00 to fix the 3-month Euribor rate at 3%, on a notional amount of €25 million and until maturity on 16 December 2024.

Note 17: Emoluments granted to the Directors

For the year ended 31 December 2022, the directors received fees amounting to €150,000 (2021: €125,000). This amount is included in "Other operating expenses".
For the year ended 31 December 2022, no advance or credit was paid to members of the administrative bodies.

Note 18: Audit fees

In accordance with Article 65(1), 16° of the Law of 19 December 2002, as amended, the specified information has been omitted. Information on the audit fees is given in the consolidated financial statements and includes the audit fees for the financial statements.

Note 19: Subsequent events
None

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To the Shareholders of
Sword Group S.E.
Société européenne

R.C.S. Luxembourg B168244

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sword Group S.E** (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the « Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

mazars

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasons for which a key audit matter has been raised	Response to the identified key audit matter
Shares in associates and other interests	
As at 31 December 2022, the Company owns a number of subsidiaries, recognised at acquisition cost, which may be subject to value adjustments in case of a permanent decrease in their value.	Tests of substantive details have been conducted to ensure the existence of investments as well as the reconciliation of movements of shareholders' funds in the course of the year.
The valuation of these investments is significant for our audit, given the carrying amount thereof and the judgement required in assessing the permanent nature of any value adjustment.	We assessed management's handling of indicators of potential losses. In this assessment, the net carrying amount is used as a starting point for evaluating whether a loss is permanent, in addition to a qualitative analysis.
	We have also reviewed the adequacy of the information in Notes 5.1 'Shares in affiliated undertakings' and 5.2 'Investments held as fixed assets'.
Key observations communicated to those charged with governance	We have no comment based on the audit procedures carried out on this key audit matter.

Reasons for which a key audit matter has been raised	Response to the identified key audit matter
Revenue recognition	
The Company provides management services, as described in note 10 the financial statements, to various subsidiaries. International Standards on Auditing require auditors to assume a fraud risk in revenue recognition when initially assessing the risk of material misstatements.	Our procedures included evaluating the income recognition method for management services contracts and the design and effectiveness of management controls regarding income-recognition analysis and the identification of unusual contractual conditions.
	Detailed substantive procedures have been carried out with regard to the cost-plus analysis and testing of the calculation of management fees and margin validation.
Key observations communicated to those charged with governance	We have no comment based on the audit procedures carried out on this key audit matter.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the Corporate Governance Statement but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use 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. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter

Our responsibility is to assess whether the financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

mazars

Report on Other Legal and Regulatory Requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 28 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 11 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company’s website http://www.sword-group.com , is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the amended law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the Audit Committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

We have checked the compliance of the financial statements of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the company it relates to the financial statements prepared in a valid XHTML format.

In our opinion, the financial statements of the Company as at 31 December 2022, identified as swordgroup-2022-12-31.zip, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 28 March 2023

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume Kroll
L – 1882 Luxembourg

Olivier BIREN
Réviseur d’entreprises agréé

08 ADDITIONAL INFORMATION

8 ADDITIONAL INFORMATION

8.1 Memorandum and Articles of Association

Capital and Shares
The share capital is €9.545 million, or more precisely €9,544,965 (nine million five hundred and forty-four thousand nine hundred and sixty-five euros). It is divided into 9,544,965 shares worth €1 each, fully paid up and all of the same category. The shares shall be issued in paperless format.

Any shareholder, acting alone or in concert, who owns more than 5%, 10%, 15%, 20%, 25%, a third, half or two thirds of the capital or the voting rights is obliged to inform the Company of the total number of shares and voting rights held, by registered letter with acknowledgement of receipt, within four stock exchange trading days starting on the day where they learn that they have exceeded these shareholding thresholds. The same will apply whenever the person's holding falls below one of the said thresholds.

This information will also be provided to the Financial Sector Supervisory Commission within (i) 6 trading days of any transaction and (ii) 4 trading days of the date the said shareholding thresholds are crossed due to an event that modifies the distribution of the voting rights.

If shares have not been properly disclosed, voting rights shall be withdrawn from those shares exceeding the number that should have been declared until proper notification is provided.

The shares are freely tradable, notwithstanding any legal or regulatory provisions to the contrary.

Modifications of the Share Capital
1 – The share capital may be increased by whatever means and according to all the procedures provided for by the law.

Payment for newly created shares may be made in cash, either by offsetting these against claims for liquidated amounts due from the Company or by incorporating reserves, profits or share premiums or by a contribution in kind or through the conversion of bonds.

Only the Extraordinary General Meeting shall have the power to decide on any increase in capital. It may also delegate this power to the Board of Directors in relation to the capital authorised by the Memorandum and Articles of Association.

The Board of Directors may decide to restrict increases in capital only for payments in cash corresponding to the amount subscribed.

In the event of a capital increase through the issue of shares for cash, pre-emptive rights shall be granted to the owners of the existing shares in accordance with the provisions laid down by law.

However, shareholders may individually renounce their pre-emptive right during the General Meeting that decides on or authorises the share capital increase. In addition, the shareholders may, in the General Meeting, cancel this pre-emptive right in accordance with legal requirements.

2 – A capital increase may also arise following a request made by any shareholder to receive payment of all or some of the dividends to be distributed, in the form of shares when shareholders have been granted the right to do so by a resolution of the General Meeting or by the Board of Directors within the scope of a capital increase up to the amount of the authorised capital as defined under Article 8 of the Memorandum and Articles of Association and under Article 2.1 of this charter.

In such a case, the Board of Directors shall, within the statutory time limit, record the number of shares issued by virtue of the previous paragraph and shall record changes to the Memorandum and Articles of Association by means of a notarial deed.

The Extraordinary General Meeting may also delegate to the Board of Directors the power to actually reduce the share capital.

The Board of Directors may repurchase Company shares, within the limits provided by law and the authorisation granted by the Extraordinary General Meeting.

<u>Powers and General Meetings</u>
The shareholders shall be given notice to attend General Meetings in accordance with the legal provisions and those of the Memorandum and Articles of Association. Article 18 of the Memorandum and Articles of Association lays down general rules for the General Meetings of Shareholders.

Convening Notices
The shareholders shall convene at the Annual General Meeting on 28 April of each year at 11 a.m. in the municipality where the Company has its registered office or at any other venue indicated in the convening notice.

If the meeting date coincides with a bank holiday, the meeting shall be held the next working day.

Ordinary General Meetings may be called by the Board of Directors at any time during the year with a special notice to this effect.

One or more shareholders holding at least a total of 10% of the subscribed capital may request that a General Meeting be called. The notice to convene such a meeting shall state the items on the agenda.

The form of the meeting and the notice period shall be as required by law. Convening notices must indicate the venue for the meeting, which may be held at the registered office or at any other location, and the agenda.

Agenda
The agenda is set by the person calling the meeting. It shall include, if appropriate, proposals made by one or more of the shareholders owning a total of at least 5% of the subscribed capital. These shareholders may request that one or more new items be included in the agenda of any General Meeting, subject to the time limits and procedures provided by law.

When a meeting has not been able to deliberate validly due to the absence of the required quorum, a second meeting shall be convened in the same way as the first, with the convening notice referring to the date of the first meeting.

Admission to the Meetings – Powers
All shareholders shall be entitled to attend the General Meetings personally or by proxy, regardless of how many shares they hold, on supplying proof of identity and share ownership, in the form:

- either of a registration in their name;
- or of an entry of the shares in an account in the name of the shareholder or of the intermediary who is registered to represent them, as at the third working day preceding the General Meeting at midnight, Paris time.

However, the Board of Directors may reduce or waive such a notice period if this is in the interests of all the shareholders.

The shareholders may submit their vote by post but must request a postal vote form from the Company in order to do so. This form will include the information relating to the General Meeting in question and will be drafted in such a way that shareholders will be able to cast their vote for each of the resolutions proposed, in the order in which they are presented at the meeting. The request for the form must be addressed to the Company by any means and must be deposited or received at the registered office at least six days prior to the meeting.

To be valid, the ballot paper must include the following information:

- the shareholder's first name, surname and place of residence;
- an indication of the form in which the shares are held, the number of shares held and confirmation of the registration of the shares either in the registered share accounts or in the share accounts held by the authorised financial intermediary;
- the signature of the shareholder or his/her legal representative.

Postal votes must, in order to be taken into account, reach the Company at least three days before the General Meeting.

A shareholder can be represented by a third party in accordance with the conditions laid down by the regulations in force.

Holding of the Meeting – Meeting Committee (Secretary of the Meeting) – Minutes
The General Meeting is chaired by the Chairman of the Board of Directors or by a Director designated by the Board, if the convening notice comes from the latter, or failing that, by a person appointed by the meeting. It shall be chaired by the statutory auditor or company auditor as the case may be and by the court officer or by the liquidator in the other cases. Scrutineer duties are performed by the two Board members having the most votes, as long as they agree to these responsibilities. The committee appoints a secretary (who may be a non-shareholder).

The deliberations are recorded in minutes signed by the members of the committee and signed by the shareholders requesting them.

Copies or extracts of these minutes, to be submitted in court or elsewhere, are duly certified in the case of Ordinary General Meetings by the Chairman of the Board of Directors or a Director or the Secretary of the General Meeting and in the case of Extraordinary General Meetings, by the Notary who is the depository for the minutes in question.

The conditions for exercising voting rights – Majority quorum
1 – The quorum shall be calculated taking into account all the shares that comprise the share capital, less those shares from which voting rights have been withdrawn by law.

For postal votes, only forms duly completed and comprising a reference to the certificate of deposit of the shares, received by the Company at least three days before the meeting is held, will be taken into consideration when determining the quorum.

2 – The Ordinary General Meeting cannot validly conduct business on the basis of the first convening notice, unless the shareholders present, represented or voting by post own at least a quarter of the share capital. In the absence of such a quorum, a second General Meeting will be called, without the need for a quorum, in the form envisaged within the provisions of Article 450-3 of the Law of 10 August 1915 on commercial companies, as amended.

The Extraordinary General Meeting cannot validly conduct business unless the shareholders present, represented or voting by post own at least half of the share capital at the time of the first convening notice. In the absence of such a quorum, a second General Meeting will be called, without the need for a quorum, in the form envisaged within the provisions of Article 450-3 of the Law of 10 August 1915 on commercial companies, as amended.

3 – In General Meetings, each member of the Meeting shall have the same number of votes as the number of shares he/she owns or represents without any limitation, with the sole exception of the cases provided for by law.

4 – At General Meetings, voting shall take place on a show of hands, by names being called out or by secret ballot or through the use of telecommunications, such as video-conferencing systems or any other means of teletransmission that make it possible to identify the shareholder taking part in the General Meeting, as may be decided by the committee for the meeting or by the shareholders.

Resolutions of Ordinary General Meetings shall be made by a majority of the validly cast votes. The validly cast votes do not include those associated with the shares for which the shareholder has not taken part in the vote, abstained from voting or returned a blank or invalid vote.

Resolutions of Extraordinary General Meetings shall be by a majority of two thirds of the validly cast votes.

Dividend Policy
In accordance with Article 23 of the Memorandum and Articles of Association, the following items shall initially be deducted from the profits of the accounting year less any losses from the previous years:

- at least five percent (5%) to constitute the legal reserve; such a deduction will cease to be mandatory when the said reserves will have reached a sum equal to one tenth of the capital, but will resume if for any reason whatsoever this percentage is no longer reached;
- and any amounts to be allocated to the reserve account by law.

The balance, plus profits carried forward, shall comprise the distributable profit that the General Meeting, on proposal from the Board of Directors, may resolve to distribute in full or in part as dividends, or allocated to reserve accounts, capital amortisation or carry forward.

The Extraordinary General Meeting may, subject to legal provisions, decide on the full or partial amortisation of the shares that will proportionally lose the right to a dividend and to the reimbursement of their par value.

This meeting may also, subject to legal provisions, decide to convert into capital shares those shares that have been fully or partially amortised.

In general, Sword Group shall pursue a dividend policy linked, on the one hand, to the profits of the year in question and, on the other, to the foreseeable development of the Group and its profitability.

8.2 Documents available to the public

All accounting, legal and other documents are available at the Company's registered office.

8.3 Person in charge of the annual report

The person in charge of the annual financial report is Jacques Mottard.

8.4 Statutory auditors of the accounts

Statutory audits of the accounts are carried out by Mazars Luxembourg S.A., *Cabinet de Révision Agréé* (approved audit firm), having its registered office at 5 Rue Guillaume J. Kroll, 1882 Luxembourg.

This appointment has been made on an annual basis by the Ordinary General Meeting since the meeting held on 3 May 2013 and was renewed by the Ordinary General Meeting on 28 April 2022 for a term expiring at the General Meeting called to approve the financial statements for the year ended 31 December 2022 (its renewal will be proposed at the General Meeting on 28 April 2023).

8.5 Statement by the person in charge of the annual financial report

Pursuant to Article 3 (2) c) of the Law of 11 January 2008 on transparency requirements for information about issuers whose securities are admitted to trading on a regulated market, as amended, we declare that these financial statements were prepared in accordance with applicable accounting standards and that, to the best of our knowledge, they give a true and fair view of the assets and financial position of Sword Group SE ("the Company") as at 31 December 2022 and of the results of its operations for the year then ended, and a description of the main risks and uncertainties facing the Company. The management report, to the best of our knowledge, presents truly and fairly the development, results and financial position of the Company.

Windhof, 28 March 2023

Jacques Mottard
Chairman and Chief Executive Officer

09 OFFICES AND CONTACT DETAILS

9 OFFICES AND CONTACT DETAILS

Sword in Bellshill	New Alderston House, 3 Dove Wynd, Strathclyde Business Park, Bellshill, ML4 3FB Scotland
Sword in Billingham	16 Earls Nook, Belasis Business Park, Billingham, Stockton on Tees, TS23 4EF England
Sword in London	We Work, 30 Stamford Street, Southbank Central London, SE1 9LQ England
Sword in Staines (London)	Staines One, Station Approach Staines-Upon-Thames, TW18 4LY England
Sword in Al-Baad'a	2 483 Alagar ibn yassaralomozni street 6644, Albadaa 49814 Saudi Arabia
Sword in Perth	Suite 3, Level 1, Ord Street West Perth, WA 6005 Australia
Sword in Brussels	Avenue de Tervueren 270, BE-1150 Brussels Belgium
Sword in Montreal	2 200, Rue Stanley Montreal, QC, H3A 1R6 Canada
Sword in Nicosia	121 Prodromou Str., Hadjikyriakion 1, 7th Floor, Office 401, 2064 Nicosia Cyprus
Sword in Aberdeen (1/3)	Deebridge House, 4 Leggart Terrace, Aberdeen AB12 5US Scotland
Sword in Aberdeen (2/3)	Johnstone House, 4th Floor, 50-54 Rose Street, Aberdeen, AB10 1UD Scotland
Sword in Aberdeen (3/3)	Migvie House, 23 N Silver St, Aberdeen, AB10 1RJ Scotland
Sword in Glasgow	3rd Floor, 20 Buchanan Street Glasgow, G1 3LB Scotland
Sword in Dubai	Dubai Internet City, Building 14, Office 411, PO Box 500406 United Arab Emirates
Sword in Barcelona	Carrer d'Ausiàs Marc 7, 4th Floor, 08010 Barcelona Spain
Sword in New York	30 Broad Street, 14th Floor, New York, NY 10004 United States

Sword in Houston	2925 Richmond Avenue, 14th Floor, Houston, Texas 77098 United States
Sword in Saint-Didier-au-Mont-d'Or (Lyon)	11 Rue Voie Lactée, 69370 Saint-Didier-au-Mont-d'Or France
Sword in Athens	Pyrna Complex, Building C, 3rd Floor, 15 Andrea Metaxa Street, 14564 Kifisia Greece
Sword in Chennai	Elnet Software City, 3rd Floor, TS 140, Block 2 & 9, Rajiv Gandhi Salai, Taramani, Chennai, 600 113 India
Sword in Beirut	Berytech Building (Mathaf), 6th Floor, Sodeco Road, Beirut Lebanon
Sword in Windhof (Luxembourg)	2 Rue d'Arlon, 8399 Windhof Luxembourg
Sword in Rijswijk (The Hague)	Monfor Offices, Sir Winston Churchilllaan 299a 2288 DC, Rijswijk Netherlands
Sword in Eysin (Nyon)	Route de Crassier 7, Building A1, 1262 Eysins (Nyon) Switzerland
Sword in Plan-les-Ouates (Geneva)	Skylab, Chemin du Pré-Fleuri 5, 1228 Plan-les-Ouates Route de la Galaise 24, 1228 Plan-les-Ouates Switzerland
Sword in Renens (Lausanne)	Avenue des Baumettes 19, 1020 Renens Switzerland
Sword in Sion	Econopôle, Route de la Drague 18, 1950 Sion Switzerland

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