



# Annual Report 2023

# Companies

## HOLDING

### **Simac Techniek NV**

Maartje van Schagen/Eric van Schagen /Michael van Kasteren / Ine Frings  
De Run 1101  
5503 LB Veldhoven (the Netherlands)  
www.simac.com  
Chamber of Commerce no.: 17057712

## INFORMATION TECHNOLOGY NETHERLANDS

### **Simac IT NL bv**

Maartje van Schagen / Peter Aalbers  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

### **Simac International Services bv**

Patrick Bontinckx / Jan Bueken  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

### **aQuestora bv**

Thijs van Schagen  
Hurksestraat 60, unit 3.20  
5652 AL Eindhoven (the Netherlands)

### **Simac BCI bv**

Marco Bosma  
Nieuw Eyckholt 208  
6419 DJ Heerlen (the Netherlands)

### **Simac Cyber Security bv**

Robbert Vriens  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

## INFORMATION TECHNOLOGY ABROAD

### **Simac NV**

Patrick Bontinckx / Jan Bueken  
Industrieweg 8  
B-3001 Heverlee (Belgium)

### **Simac BMS GmbH**

Joël Thys  
Händelstrasse 25-29  
50674 Cologne (Germany)

### **Simac PHI DATA NV**

Olivier Billiau  
Heide 11  
B-1780 Wemmel (Belgium)

### **Wavetel SAS**

Hubert Chartin  
13, Boulevard Jean Monnet  
F-56260 Larmor Plage (France)

### **Simac PSF SA**

Stéphane Arib / Quentin Huberty  
2, Rue Léon Laval  
L-3372 Leudelange (Luxembourg)

### **Simac Technik CR AS**

Dusan Bruoth  
Avenir Business Park budova B  
Radlicka 740/113C  
158 00 Prague 5 (Czech Republic)

## SMART SOLUTIONS

### **Simac Document Solutions bv**

Peter Bouwmans  
Ampèrestraat 36  
6716 BN Ede (the Netherlands)

### **Simac Triangle bv**

Rudie Piessens  
Hurksestraat 35  
5652 AH Eindhoven (the Netherlands)

### **Simac Electronics bv**

Ivo de Rooij  
Eindstraat 53  
5151 AE Drunen (the Netherlands)

### **Simac Masic bv**

Ard Romers  
Jan Campertstraat 21  
6416 SG Heerlen (the Netherlands)

### **Simac QuadCore bv**

Alfred Wesseling  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

### **Simac IDS bv/Simac IDS Ltd.**

Patrick Manders/Har Heuberger  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

### **Simac Learning Solutions bv**

Helen Koegler  
De Run 1101  
5503 LB Veldhoven (the Netherlands)

# Participating interests

**Centrale 24 Techniek bv**

Ed van den Berg  
High Tech Campus 32  
5656 AE Eindhoven (the  
Netherlands)

**Chess Wise bv**

Han Bak  
Oudeweg 115B  
2031 CC Haarlem (the  
Netherlands)

**GX International bv**

Gerlas van den Hoven / Paritosh  
Prajapati  
Waldfeuchterbaan 124  
6105 BP Maria Hoop (the  
Netherlands)

**Inteno Holding AB**

Gerlas van den Hoven  
Stensättravägen 13  
12739 Skärholmen  
Stockholm (Sweden)

**Passengera s.r.o.**

Jan Kolar  
Avenir Business Park budova B  
Radlicka 740/113C  
158 00 Prague 5 (Czech  
Republic)

**Sensite Solutions bv**

Jan Vet  
Lucas Gasselstraat 7D  
5611 ST Eindhoven (the  
Netherlands)

**Meditools bv**

Pieter van Tiel / Paul Dreef  
Veldmolenweg 94  
5404 LD Uden (the Netherlands)

**Aranea Consult bv**

Aad van den Boogaart  
De Gruyterfabriek  
Veemarktkade 8-locatie 7136  
5222 AE 's-Hertogenbosch (the  
Netherlands)

**Simac Professional SA**

Christophe Villiere  
47-49 Op Zaemer  
L-4959 Bascharage  
(Luxembourg)

**Treams Group bv**

Iris Zonneveldt  
Kastanjelaan 400  
5616 LZ Eindhoven (the  
Netherlands)

**Vital10 Holding bv**

Roderick Kraaijenhagen /  
Sabine Pinedo  
Courbetstraat 34  
1077 ZV Amsterdam (the  
Netherlands)

This annual report 2023 of Simac Techniek NV is a translation of the original Dutch version. This English version is for informative purposes only. Under all circumstances the original Dutch version will be legally binding.

# Table of Contents

<b>General</b> .....	<b>2</b>
Notice from the board of directors.....	2
The board of directors of Simac Techniek NV.....	3
Supervisory board of Simac Techniek NV.....	4
<b>Directors' report</b> .....	<b>5</b>
Outline strategy.....	5
Corporate Social Responsibility.....	6
Financial state of affairs.....	8
Operational state of affairs.....	18
Personnel and organization.....	27
Expectations.....	28
<b>Corporate Governance</b> .....	<b>30</b>
Explanatory notes to corporate governance.....	30
Risk and risk management.....	31
<b>Report from the supervisory board</b> .....	<b>36</b>
Report supervisory tasks by the supervisory board.....	36
Report of the supervisory board committees.....	37
A final word.....	38
<b>Consolidated Financial Statement of 2023</b> .....	<b>39</b>
Consolidated balance sheet before profit appropriation.....	40
Consolidated profit and loss account.....	41
Consolidated statement of changes in group equity.....	42
Consolidated statement of cash flows.....	43
Explanatory notes to the consolidated financial statements.....	45
<b>Company financial statements of 2023</b> .....	<b>81</b>
Company balance sheet before profit appropriation.....	82
Company profit and loss account.....	82
Explanatory notes to the company financial statements.....	83
Other information.....	91
Audit opinion from the independent auditor.....	91
Statutory regulation regarding profit appropriation.....	99
Extraordinary statutory rights.....	99

# General

## Notice from the board of directors

The year 2023 was an important transition year for Simac, both in terms of organization and returns. Maartje van Schagen was appointed CEO of Simac on October 1, 2023, an important moment in the company's history. After 34 years, the baton within the family was passed on to the third generation. Meanwhile, the decision was made to open a new head office in Veldhoven. This will be completed in the course of 2024.

Despite healthy growth in turnover and gross margin, the year 2023 produced a modest return with a negative net result. This was caused by a strong increase in personnel expenses, continued investments in innovation and new activities and by depreciations on participating interests that do not yet yield a return.

In addition to the growth in turnover, another positive aspect in the year under review was the strong increase in customer satisfaction. The same applied to employee satisfaction, as these two benchmarks form the basis for future success. The results in all foreign countries too were in line with the objectives. Higher costs and newly started activities in the Netherlands mainly accounted for the reduced returns. We are currently working on taking appropriate follow-up steps in this regard.

The outlook for 2024 is moderately positive. On the one hand, we are confident that the positive results can be continued abroad and that the results in the core activities in the Netherlands will gradually increase. On the other hand, we can see the market deteriorating in certain areas and we will need time and investments to further grow new activities in order for these to yield a positive return. In some cases, we will decide to discontinue certain business, which in turn will entail costs. On balance, we expect a slightly positive operating result for 2024.

We would like to take this opportunity to thank our customers for their trust in Simac, the assignments and the positive cooperation in 2023. We would like to thank the supervisory board and the works council for their useful contribution to our wonderful company where people in the organization are the main asset. Finally, we would like to thank all members of staff for their tremendous efforts, customer focus and loyalty. They are and remain the basis of our success.

On behalf of the board of directors,  
Maartje van Schagen  
CEO

Veldhoven, March 27, 2024

# The board of directors of Simac Techniek NV

**M.J. VAN SCHAGEN, MSc (1983), DUTCH**

CEO

**M.F.J.A. VAN KASTEREN CPA (1961), DUTCH**

CFO

**/r. E. VAN SCHAGEN (1956), DUTCH**

Board member

Key ancillary positions:

- Chairman of VNO-NCW Brabant Zeeland
- Chairman of the supervisory board of Mignot & De Block
- Chairman of the supervisory board of Crowe Foederer Accountants
- Member of the supervisory board of TechnoStars
- Member of the supervisory board of Vrijdag Premium Printing
- Member of the board of Eindhovensche Fabrikantenkring
- Member of the supervisory board of AAE bv
- Chairman of the board of Coöperatie Slimmer Leven 2020
- Chairman of the board of Sports and Technology Eindhoven
- Chairman of MMC Innovatiefonds
- Chairman of the PSV foundation executive board
- Member of the supervisory board of Van der Velden Rioleringsbeheer
- Chairman of Stichting Matthäus Passion Oirschot
- Chairman of the supervisory board of Het Noordbrabants Museum

**I. FRINGS – VAN DE SPIJKER (1969), DUTCH**

Board member

Key ancillary positions:

- Member of the supervisory board of JAJO
- Member of the supervisory board of Eindhoven Citymarketing
- Member of the supervisory board of GLOW
- Member of the advisory council of Bex\* Communicatie

# Supervisory board of Simac Techniek NV

## **DR. IR. H.P.M. KIVITS (1953), DUTCH**

Chairman

First appointment in 2014

Eligible for reappointment in 2027

Former CEO Stage Entertainment

Key ancillary positions:

- Chairman of Stichting Universiteitsfonds Eindhoven
- Chairman of Stichting FoodforCare Fonds
- Member of the Supervisory Board of Parc Spelderholt
- Member of the board of Preferente Aandelen C Van Lanschot

## **IR. N.I.M. HERMANS (1951), DUTCH**

Vice-chairman and chairman of the remuneration committee

First appointment in 2003

Eligible for reappointment in 2024

Former member of the board of ASML

## **MR. S.J.M. ROELOFS (1957), DUTCH**

Member

First appointment in 2018

Eligible for reappointment in 2026

Former managing director of the Nederland ICT trade association

Key ancillary positions:

- Chairman Modint, trade association for textiles, clothing, carpets and interior fabrics in the Netherlands
- Member of the executive board of VNO-NCW in The Hague
- Chairman of the Supervisory Board of Kruitbosch BV
- Member of the board of Euratex, the European textile and clothing association
- Member of the Supervisory Board of AWWN, General Employers Association of the Netherlands

## **W. VAN WINDEN (1952), DUTCH**

Member and chairman of the audit committee

First appointment in 2014

Eligible for reappointment in 2025

Former CFO of Philips Nederland/Benelux

# Directors' report

## Outline strategy

### Mission

Simac wants to make a difference by converting technology into customer value, offering solutions for social issues and promoting the well-being of our employees. Simac wants to be professional, honest, reliable, flexible and result-oriented towards its customers, employees and all other stakeholders. Simac attaches great importance to corporate social responsibility and sustainability.

### Vision

1. Simac puts continuity first and wants to make a positive contribution to the position of customers, the well-being of its employees and the environment and society.
2. In accordance with the wishes of the (family) shareholder, profits generated by Simac are largely spent on strengthening continuity, expanding knowledge and promoting innovation, as well as linking entrepreneurship to social objectives.
3. Simac's strategic policy does not primarily consist of setting objectives, but acting on the basis of a number of basic principles ('the pillars') that support continuity and corporate social responsibility. This allows for action points with associated objectives.
4. Simac does not want to sell the company and its majority shareholdings to third parties. However, if the continuity or development of certain (sub-)operations is better served by another shareholder, the sale of the relevant operation may be an option. In that case, a healthy future for all those concerned is more important than maximum yield.
5. Market demand for high technology will remain high in the near future and will be less dependent on economic developments. Our challenge is to continue to be at the foreground of technological developments. A healthy return that is largely invested in knowledge and innovation is essential for this.
6. Innovation must be achieved in collaboration with customers, thereby ensuring continuous feedback on whether the efforts are relevant.
7. Long-term thinking is not an excuse for insufficient returns, but a way of working. Investing in people, customers and society must be driven by a long-term focus. Achieving success and positive results motivate in more than one way.



## The pillars

Simac primarily aims for continuity. Continuity is achieved by acting on the following six pillars:

1. Financially solid basis  
The balance sheet is strong (sufficient equity and liquidity). Positive returns are achieved each year and the cash position offers enough scope for investments and compensating temporary setbacks.
2. Spread of operations  
Simac operates in various products and markets and is organized into smaller units (operating companies or divisions), each of which is individually responsible for its financial result.
3. Long-term contracts  
A considerable part of the turnover is generated by long-term contracts and customer satisfaction is high.
4. Focus on employees and culture  
The relationship between Simac and its employees is based on mutual trust and we continuously aim for the knowledge and skills of our employees to move along with market requirements.
5. Room for innovation  
As the technology in our market and customer requirements are changing rapidly, we devote time and attention to developing new products and services. This also means we have to accept failure and make adjustments.
6. The environment  
Treating the environment responsibly is part of Simac's continuity policy.

For internal purposes, the aforementioned objectives are specified per operating company.

## Corporate Social Responsibility

The pursuit of continuity is much wider than securing the company's financial position alone. We believe corporate social responsibility is a matter-of-course. The ISO 14001 and ISO 50001 certificates in particular ensure that CSR is embedded in the organization.

Corporate social responsibility is given serious attention on the company's agenda. To make this tangible and verifiable, the ISO 14001 certificate was obtained as early as 2017. This ISO certification focuses on environmental management. With this, we demonstrate that we are in control of the environmental risks. The next step was in the field of energy management. By obtaining certification in this area, we produce demonstrable evidence that we are able to continuously improve energy performance.

The standard focuses on gaining insight into energy consumption and reducing it. We are proud of obtaining the ISO 50001 standard. This achievement can be attributed to some major investments, such as installing solar panels and a relatively high number of minor interventions, such as replacing lighting and optimizing the routes of engineers. We even obtained an exemption from the

Netherlands Enterprise Agency, the RVO. This means energy management is in such good order that no additional RVO inspection is required.

The involvement in the environment in which we work is partly reflected in the sponsorship of various associations, organizations and events. In 2023, this involved a list of 112 different charities in total. Special attention is given to the charities that are suggested by Simac staff themselves. Each quarter, a total of ten charities receive financial support under the name of Simac Heart. An important criterion in the selection process is the degree of involvement of the Simac staff member in the charity that he or she proposes.

Amounts in thousands of Euros

## Financial state of affairs

### Key points

- Net turnover rises by 6.6%, from € 313.1 million to € 333.6 million.
- Operating result falls from € 3.6 million to € 0.7 million. Exclusive of amortization, the operating result (EBITDA) falls from € 10.1 million to € 7.4 million
- Result after taxes falls from € 2.1 million to € -1.8 million
- The cash position at year-end 2023 amounts to € 6.5 million (2022: € 17.9 million)
- Solvency based on group equity at year-end 2023: 33.4% (2022: 34.0%)

### Results

The results can be summarized as follows:

<b>Condensed consolidated profit and loss account</b>	<b>2023</b>	<b>2022</b>
<b>Net turnover</b>	<b>333,642</b>	<b>313,093</b>
Subcontracted work and other external costs	-185,406	-173,812
<b>Gross profit</b>	<b>148,236</b>	<b>139,281</b>
Other operating income	804	456
Personnel expenses	-103,306	-91,961
Other operating expenses	-38,322	-37,668
<b>Operating result before depreciation (EBITDA)</b>	<b>7,412</b>	<b>10,108</b>
Depreciation of (in)tangible fixed assets	-6,736	-6,515
<b>Operating result</b>	<b>676</b>	<b>3,593</b>
Financial income and expenses	-1,793	579
<b>Group result before taxes</b>	<b>-1,117</b>	<b>4,172</b>
Taxes result from ordinary business operations	-336	-1,506
Third-party interest	-334	-539
<b>Result after taxes</b>	<b>-1,787</b>	<b>2,127</b>

### Summary of trend in results for the 2023 financial year

The trend in results at Simac in the 2023 financial year can be summarized in a number of parts:

1. Turnover and gross profit continue to develop positively.
2. Operating costs are rising, in which the significant wage indexations as of January 1, 2023 play an important role.

Amounts in thousands of Euros

3. The developments in turnover, gross profit and operating costs combined lead to a decrease in operating result of € 2.9 million.
4. The result in financial income and expenses decreases by € 2.4 million, thereby putting additional pressure on the result after taxes, which falls from a profit of € 2.1 million to a loss of € 1.8 million.

### Changes in group structure

During the financial year, the following changes have occurred in the group structure:

- Acquisition of 30% interest in PHI DATA NV
- The name of PHI DATA NV was changed to Simac PHI DATA NV
- The name of hmb Nederland bv was changed to Simac Results Velsen bv
- The interest in Passengera was expanded to 44%.

### Added activities

During the financial year, Simac took over the business activities of FOMAX trading enterprise. This concerns an asset transaction consisting of an order book with associated trading stocks. No employees were involved in this takeover.

Simac has entered into an agreement with two supermarket formulas for the outsourcing of IT services. As a result of the agreement, 71 employees were over under the Transfer of Enterprise Act.

### Change in credit agreement

During the financial year, Simac concluded a credit agreement with Rabobank. The credit agreement with Deutsche Bank was terminated. Simac's payment transactions will be processed through Rabobank starting in 2024.

### Net turnover

Net turnover rises by 7.3%, from € 313.1 million to € 333.6 million. Both the sale and installation of goods and service and management contracts showed an increase in turnover. At the sale and installation of goods by 4.8% from € 167.0 million to € 175.0 million and at service and management contracts by 12.7%, from € 109.8 million to € 123.7 million. Turnover in other services falls by 3.9%, from € 36.3 million to € 34.9 million.

<b>Net turnover per category</b>	<b>2023</b>	<b>2022</b>
Sale and installation of goods (including projects)	175,033	167,017
Service and management contracts	123,745	109,815
Other services	34,864	36,261
<b>Net turnover</b>	<b>333,642</b>	<b>313,093</b>

Amounts in thousands of Euros

Turnover at Information Technology Netherlands rises by 4.5%, from € 146.7 million to € 153.3 million. Turnover at Information Technology abroad rises by 10.2%, from € 126.3 million to € 139.1 million. Turnover at Smart Solutions rises by 3.0%, from € 40.7 million to € 41.9 million.

<b>Net turnover per business segment</b>	<b>2023</b>	<b>2022</b>
Information Technology Netherlands	153,306	146,654
Information Technology abroad	139,130	126,257
Smart Solutions	41,939	40,734
Holding and eliminations	-733	-552
<b>Net turnover</b>	<b>333,642</b>	<b>313,093</b>

Group sales are eliminated within the relevant segment as much as possible.

### Gross profit

Gross profit is defined as the result of net turnover less costs of outsourced work and other external costs.

The gross profit for the financial year amounts to € 148.2 million (2022: € 139.3 million). The gross profit percentage compared to turnover falls from 44.5% to 44.4%.

### Personnel expenses

Personnel expenses consist of the total of salaries and wages and social security and pension contributions. Personnel expenses rise by 12.3%, from € 92.0 million to € 103.3 million. As a percentage of turnover, personnel expenses rise from 29.4 to 30.8%.

A total of € 83.4 million of personnel expenses (2022: € 74.9 million) is accounted for by wages and salaries. This also concerns € 19.9 million (2022: € 17.0 million) in social security and pension contributions. Social security and pension contributions as a percentage of wages and salaries amount to 23.9% (2022: 22.7%).

The increase in personnel expenses as of January 1 has been strongly influenced by wage indexations. In the Netherlands, Simac has applied significant indexations, partly to maintain its competitive position in a tight labor market. In other countries (e.g. Belgium), indexations are established legally. The average number of employees (FTE) increases by 68, from 1,184 in 2022 to 1,252 in 2023. The average number of employees in the Netherlands at the end of the financial year is 1,313 (2022: 1,200). The number of employees in the Netherlands is 920 (2022: 866).

The number of temporary staff during the financial year was 183 (2022: 226). During the financial year, external temporary staff were offered employment directly through the company.

Amounts in thousands of Euros

### **Other operating expenses**

Other operating expenses rise from € 37.7 million to € 38.3 million. The largest increases occur in accommodation costs and car and travel costs. In total, these costs rise by € 2.6 million, from € 14.1 million to € 16.7 million. These increases can be largely attributed to the increased energy and fuel prices. Furthermore, more people have traveled, thus increasing fuel consumption.

Telecommunications and automation costs rise by € 0.8 million, from € 4.5 million to € 5.3 million and publicity costs rise by € 0.5 million, from € 2.5 million to € 3.0 million. Other personnel expenses fall by € 3.2 million, from € 10.8 million to € 7.5 million. This decrease largely concerns lower hiring costs of external staff.

### **Depreciation of (in)tangible assets**

Depreciation and impairments increase from € 6.5 million in 2022 to € 6.7 million in 2023.

Intangible fixed assets were amortized by € 2.6 million (2022: € 2.6 million) and tangible fixed assets were depreciated by € 4.1 million (2022: € 3.9 million). Amortization of intangible fixed assets largely relates to goodwill on acquired subsidiaries and operations that have been taken over.

### **Financial income and expenses**

The balance of financial income and expenses consists of € 0.1 million (2022: € 1.4 million) from the share in the results of non-consolidated participating interests and for € 0.0 million (2022: € -0.4 million) from the balance of interest charges and income. The result from participating interests for the financial year was influenced positively by an earn-out payment from the sale of Inteno Holding AB.

In the financial year, long-term receivables were depreciated by € -1.8 million (2022: € -1.3 million). This depreciation relates to the financing of non-consolidated participating interests.

### **Income taxes**

The effect of the non-tax offsettable goodwill means the effective tax burden is high. The result before taxes amounts to € -1.1 million and the tax offsettable goodwill amortization € 2.0 million, resulting in a tax result of € 0.9 million. Taking into account rate differences and other adjustments, the tax burden amounts to € 0.3 million (2022: € 1.5 million).

A total of € 1.5 million of current taxes on result (2022: € 1.5 million) relate to foreign jurisdictions. For the 2023 financial year, current taxes in the Netherlands amount to € 0.0 million (2022: € 0.5 million). Due to tax losses in the Netherlands, an amount of € 1.1 million (2022: € 0.5 million) in deferred taxes has been capitalized.

Amounts in thousands of Euros

## Financial position

The condensed consolidated balance sheet is as follows:

<b>Condensed consolidated balance sheet</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>
Intangible fixed assets	7,560	5,644	1,916
Tangible fixed assets	18,693	18,272	421
Financial fixed assets	24,563	20,314	4,249
Deferred tax assets	1,727	566	1,161
<b>Fixed assets</b>	<b>52,543</b>	<b>44,796</b>	<b>7,747</b>
Inventories and work in progress	10,480	16,588	-6,108
Receivables	88,820	92,988	-4,168
Investments	300	238	62
Liquid assets	13,255	17,885	-4,630
<b>Current assets</b>	<b>112,855</b>	<b>127,699</b>	<b>-14,844</b>
<b>Total assets</b>	<b>165,398</b>	<b>172,495</b>	<b>-7,097</b>
Group equity	55,194	58,647	-3,453
Provisions	7,689	6,213	1,476
Long-term liabilities	760	101	659
Short-term liabilities	101,755	107,534	-5,779
<b>Total commitments</b>	<b>110,204</b>	<b>113,848</b>	<b>-3,644</b>
<b>Total liabilities</b>	<b>165,398</b>	<b>172,495</b>	<b>-7,097</b>

Total assets fall by € 7.1 million, from € 172.5 million to € 165.4 million. Fixed assets rise by € 7.7 million, from € 44.8 million to € 52.5 million. This increase concerns € 1.9 million for intangible fixed assets, € 0.4 million for tangible fixed assets, € 4.2 million for financial fixed assets and € 1.2 million for deferred tax assets.

Current assets fall by € 14.8 million, from € 127.7 million to € 112.9 million. Inventories and work in progress fall by € 6.1 million and receivables by € 4.2 million. Liquid assets fall by € 4.6 million, from € 17.9 million to € 13.3 million.

Amounts in thousands of Euros

Group equity falls by € 3.4 million, from € 58.6 million to € 55.2 million. Total commitments fall by € 3.6 million, from € 113.8 million to € 110.2 million. Provisions increase by € 1.5 million, from € 6.2 million to € 7.7 million and long-term liabilities increase by € 0.7 million, from € 0.1 million to € 0.8 million. Short-term liabilities fall by € 5.8 million, from € 107.5 million to € 101.7 million.

The financing analysis below shows that the surplus of available long-term financing compared to fixed assets has decreased by € 9.1 million, from € 20.2 million to € 11.1 million. This decrease is largely explained by the increased investment in fixed assets. This item rises by € 7.7 million, from € 44.8 million to € 52.5 million.

The investment in working capital rises by € 2.3 million, from € 2.3 million to € 4.6 million. The cash position falls by € 11.3 million, from € 17.9 million to € 6.5 million. The cash position at year-end 2023 consists of € 13.3 million of liquid assets, less € 6.7 million in drawn bank credit. The drawn bank credit relates to the transition from Deutsche Bank to Rabobank at the end of 2023.

<b>Financing analysis</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>
Available long-term financing	63,643	64,961	-1,318
Less: fixed assets	-52,543	-44,796	-7,747
<b>Financing surplus</b>	<b>11,100</b>	<b>20,165</b>	<b>-9,065</b>
Working capital	4,560	2,280	2,280
Cash position (liquid assets, less credit institutions)	6,540	17,885	-11,345
<b>Use of the financing surplus</b>	<b>11,100</b>	<b>20,165</b>	<b>-9,065</b>

The fixed assets at year-end 2023 amount to € 52.5 million (2022: € 44.8 million). Intangible fixed assets rise by € 1.9 million, from € 5.6 million to € 7.5 million. During the financial year, a sum of € 4.2 million (2022: € 0.4 million) of goodwill was capitalized. In the 2023 financial year, this concerns PHI DATA and the FOMAX trading enterprise. Amortization of intangible fixed assets during the financial year amounted to € 2.6 million (2022: € 2.6 million). Other investments in intangible fixed assets amount to € 0.3 million.

Investments in tangible fixed assets amount to € 5.8 million (2022: € 10.2 million) with € 1.3 million having been divested. This largely concerns the sale of the property in Kortenberg. The opening of the new head office of Simac Belgium meant that building became redundant. Depreciation amounts to € 4.2 million (2022: € 3.8 million). The carrying amount of tangible fixed assets shows a net increase of € 0.4 million, from € 18.3 million to € 18.7 million.

The new head office for Simac Belgium in Heverlee was completed and occupied in mid-2023. This means that Simac has a representative and sustainable building for the coming years.



Amounts in thousands of Euros

Financial fixed assets rise by € 4.3 million, from € 20.3 million to € 24.6 million. The carrying amount of non-consolidated participating interests rises by € 0.3 million, from € 6.1 million to € 6.4 million. A total of € 0.8 million in interests was acquired and € 0.4 million was divested. The result from participating interests amounts to € 0.1 million and a dividend of € 0.1 million was received.

The carrying amount of financing of participating interests remains on balance, at € 2.8 million. During the financial year, € 2.1 million was drawn down in financing and € 0.2 million was repaid. In 2023, based on the development of the net asset value of participating interests, € 1.9 million was written down on receivables (2022: € 1.0 million). At the end of the financial year, the nominal value of financing of participating interests was € 9.2 million, of which € 6.4 million was written down.

At year-end 2023, the balance of deferred tax assets amounts to € 1.7 million (2022: € 0.6 million). A total of € 1.6 million of this item relates to tax losses in the Netherlands and € 0.1 million to temporary valuation differences at Simac in the Czech Republic. At the end of the financial year, Simac has a total of € 9.3 million in offsettable losses, of which € 6.5 million has been valued.

Current assets fall by € 14.8 million, from € 127.7 million to € 112.9 million. Inventories and work in progress fall by € 6.1 million, from € 16.6 million to € 10.5 million. Receivables fall by € 4.2 million, from € 93.0 million to € 88.8 million. A sum of € 8.7 million of this fall is attributable to trade receivables, which fell from € 74.6 million to € 65.9 million. Liquid assets fall by € 4.6 million, from € 17.9 million to € 13.3 million.

At the end of the financial year, the carrying amount of inventories amounts to € 6.0 million (2022: € 8.3 million). The gross value amounts to € 7.3 million (2022: € 6.9 million) for which a provision has been recognized of € 1.3 million (2022: € 1.5 million).

The net value of work in progress amounts to € -4.5 million (2022: € -5.0 million) and consists of the balance of capitalized costs of € 20.3 million and invoiced installments of € 24.8 million. In accordance with the annual reporting guidelines, € 4.4 million (2022: € 8.3 million) of work in progress has been capitalized and € 8.9 million (2022: € 13.3 million) was recognized as a current liability.

Group equity falls by € 3.4 million, from € 58.6 million to € 55.2 million. The group result for the financial year after taxes amounts to € -1.5 million, of which € -1.8 million is attributable to shareholders of Simac Techniek NV. Dividends paid in the financial year amount to € 1.5 million, of which € 1.1 million is attributable to shareholders of Simac Techniek NV.

At the end of the financial year, equity amounts to € 53.0 million (year-end 2022: € 56.0 million) and the third-party interest to € 2.2 million (2022: € 2.6 million). € 0.3 million of the decrease in third-party interest is accounted for by the acquisition of the remaining 30% interest in PHI DATA.

Amounts in thousands of Euros

Provisions at the end of the financial year amount to € 7.7 million (2022: € 6.2 million). During the financial year, € 4.5 million was added to and € 3.0 million used for provisions. As at the balance sheet date, € 1.3 million of provisions relate to employee benefits. This concerns expected future jubilee benefits to Simac employees in the Netherlands. A provision of € 1 million has been included for financing obligations. Due to the expected costs of redundancies, an amount of € 2.5 million has been included. Due to the expected vacancy of rental properties until the end of the contract term, a liability of € 1.2 million has been recognized and € 0.2 million for other provisions. A Social Fund of € 1.5 million has been set up to meet possible obligations arising from the takeover of 71 employees.

Short-term liabilities rise by € 5.8 million, from € 107.5 million to € 101.7 million. The largest decrease can be seen in accounts payable of € 15.9 million, from € 49.1 million to € 33.2 million. Due to the credit facility being drawn, debts increase by € 6.7 million.

Cash flows during the financial year can be summarized as follows:

<b>Summary of cash flows</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>
Cash flow from operating activities	5,271	15,093	-9,822
Cash flow from investing activities	-15,644	-19,582	3,939
Cash flow from financing activities	5,743	-1,649	7,392
<b>Change in cash</b>	<b>-4,630</b>	<b>-6,138</b>	<b>1,508</b>

The cash flow from business operations decreases by € 12.1 million, from € 18.6 million to € 6.5 million. The operating result falls by € 2.9 million, from € 3.6 million to € 0.7 million. Depreciations and changes in provisions fall by € 0.5 million, from € 8.7 million to € 8.2 million. Changes in working capital fall by € 8.7 million, from € 6.3 million to € -2.4 million. An important difference between the 2022 and 2023 financial years concerns the change in trade creditors. In 2022, this change was € 18.2 million positive and in 2023 it was € 15.9 million negative. These changes are partly related to the implementation of a project that was completed at the end of 2023.

Due to cash flow from business operations of € 6.5 million (2022: € 18.6 million) and income taxes paid of € 1.2 million (2022: € 4.0 million), the operating cash flow amounts to € 5.3 million (2022: € 15.1 million).

The cash flow from investing activities amounts to € -15.6 million (2022: € -19.6 million). The cash effect of acquired capital interests and acquisition of business activities amounts to € -4.9 million (2022: € -5.1 million). A total of € 0.5 million was received on account of divested capital interests (2022: € 1.7 million).

Amounts in thousands of Euros

The balance of investments and divestments in (in)tangible fixed assets amounts to € -6.6 million (2022: € -10.0 million). The balance of issued loans and funds lent, minus repayments from outstanding loans is € -5.8 million (2022: € -6.2 million). A total of € 2.8 million of loans granted concern the self-financing of lease cars and € 2.1 million concerns the financing of participating interests. Financing of € 1.2 million has been provided for a current project.

The dividend of € 1.5 million paid in the financial year (2022: € 1.9 million) is included in the cash flow from financing activities. A sum of € 1.1 million of the dividend paid in 2023 benefited the shareholders of Simac Techniek NV.

### Long-term overview

The comparative figures in the multi-year overview for 2021, 2020 and 2019 have been adjusted in line with the new guidelines of the Dutch Accounting Standards Board (DASB) regarding the processing of income. This concerns DASB guideline 221 (Work in progress) and DASB guideline 270.1 (Processing of income).

<b>Results</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Net turnover</b>	<b>333,642</b>	<b>313,093</b>	<b>284,683</b>	<b>254,841</b>	<b>276,272</b>
Sale and installation of goods	175,033	167,017	155,663	132,714	142,957
Service and management contracts	123,745	109,815	101,546	94,736	90,344
Other services	34,864	36,261	27,474	27,392	42,971
<b>Gross profit</b>	<b>148,236</b>	<b>139,281</b>	<b>135,491</b>	<b>122,866</b>	<b>125,426</b>
In % of turnover	44.4%	44.5%	47.6%	48.7%	45.4%
<b>Operating result excluding depreciation (EBITDA)</b>	<b>7,412</b>	<b>10,108</b>	<b>14,762</b>	<b>13,132</b>	<b>14,689</b>
In % of turnover	2.2%	3.2%	5.1%	5.2%	5.8%
<b>Operating result (EBIT)</b>	<b>676</b>	<b>3,593</b>	<b>8,116</b>	<b>8,864</b>	<b>11,159</b>
In % of turnover	0.2%	1.1%	2.8%	3.5%	4.0%
<b>Result after taxes</b>	<b>-1,787</b>	<b>2,127</b>	<b>3,732</b>	<b>4,668</b>	<b>7,047</b>
In % of turnover	-0.5%	0.7%	1.3%	1.8%	2.6%
<b>Average number of employees (FTE)</b>	<b>1,252</b>	<b>1,184</b>	<b>1,171</b>	<b>1,111</b>	<b>1,063</b>

<b>Results per employee</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net turnover	266	264	243	229	260
Gross profit	115	118	115	110	118
Wages and salaries	67	63	61	60	61
Operating result	2	3	7	8	10

Amounts in thousands of Euros

<b>Financial position</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Fixed assets	52,543	44,796	31,211	27,247	22,213
Current assets	112,855	127,699	115,143	104,632	104,340
<b>Total assets</b>	<b>165,398</b>	<b>172,495</b>	<b>146,354</b>	<b>131,879</b>	<b>126,553</b>
Group equity	55,194	58,647	57,645	55,293	53,395
Provisions	7,689	6,213	4,036	3,242	3,515
Long-term liabilities	760	101	88	95	112
Short-term liabilities	101,955	107,534	84,585	73,249	69,531
<b>Total liabilities</b>	<b>165,398</b>	<b>172,495</b>	<b>146,354</b>	<b>131,879</b>	<b>126,553</b>
Current assets -/- short-term liabilities	11,100	20,163	30,557	31,382	34,808
Cash position	6,540	17,885	24,023	24,580	20,808
Cash flow from operating activities	5,271	15,093	13,235	19,110	12,960
Cash flow from investing activities	-15,643	-19,582	-11,860	-12,319	-3,035
Dividends paid	-1,507	-1,880	-2,014	-2,625	-3,572
Group equity in % of total assets	33.4%	34.0%	39.4%	41.9%	42.2%

## Operational state of affairs

An important pillar of the corporate philosophy is the distribution of operations across individual business units responsible for financial results, the Simac companies. They are each active in selected markets with their own portfolios. The following paragraphs discuss the main affairs from 2023, per unit.

### Information Technology Netherlands

#### Simac IT NL

The second year of Simac IT NL's multi-year strategy, Simax 2022-2024, can best be described as the year of putting the house in order. Together with management, the board of directors formulated an appealing mission and vision, expressed its ambition in the form of setting a clear objective and provided a strategic KPI set that will be applied from 2023 onwards.

Simac IT NL's business consists of contracts and projects. The core of its service lies in the outsourcing/management of contracts. This is also how Simac IT NL binds the customer to itself. Contracts offer the certainty of continuity and provide for a stable basis. The contract portfolio continues to grow steadily. Yet this also entails obligations. Proper implementation brings a near-guarantee of a long and fruitful collaboration. Fruitful in the sense of great opportunities for contract expansion, implementation of projects and deployment of knowledge.

In addition to contracts, Simac IT NL carries out many projects for its customers. By acting as a partner for contract customers, Simac IT NL is able to quickly identify bottlenecks or propose improvements. Changes are implemented in the form of projects and often end up being part of the management of the implemented service. Here too, new (management) customers can be won through the implementation of projects. Simac IT NL aims to increase the share of projects in its total hours spent so that the margin is increased. This was monitored over the months in 2023 and fed back to the employees.

Simac IT NL's financial results for 2023 have not been able to maintain the trend of previous years. A significant increase in purchasing costs, investments in new portfolio and the organization and sharply increased wage costs put pressure on the financial result. The macroeconomic conditions and a deliberate choice to continue investing in the portfolio and organization form the basis for this. Fortunately, Simac IT NL is seeing growth on a number of important KPIs, including return and productivity ratios. The fact that Simac IT NL was successful in winning the business of a number of important brands in 2023 further feeds its confidence that new customers will continue to find their way to Simac. And it's with this confidence that Simac IT NL continues working on the further professionalization of the company, which will bear fruit from 2024.

If 2023 was the year of the Simac-wide introduction of TOM (Target Operating Model), the introduction of Microsoft Dynamics and preparing for Fit for Future (all this while the shop is open for business as usual), 2024 will be the year of finishing these pre-conditional 'house-in-order' process. Processes which will be further developed and whose embedding within the organization is important in the restart of the Fit for Future program to FFF 2.0. The goal is to maintain the course that has been set and, strengthened by the response from its customers and employees, to keep ensuring that Simac IT NL continues to take the right steps.

### **aQuestora**

aQuestora believes in an open fiber optic network as a network for the future in which infrastructure and IT services are offered separately. This gives aQuestora a unique neutral position with an open character, not affiliated with Internet providers or other layer-3 service providers. This independent positioning creates freedom of choice in service providers for end users.

In 2023, the trend of market consolidation and the battle for market share continued. The major triple-play (Internet, television, telephone) providers are also starting to appear in rural areas and therefore on the aQuestora site.

aQuestora's portfolio remained unchanged in 2023. The focus remains on drawing attention to the fiber optic networks. The rise of multi-gig fiber optic networks is also having an effect on aQuestora and is expected to become available fairly soon.

aQuestora's future looks stable. It has multi-year contracts in place with its key customers. Positive customer satisfaction results mean that the company can look to the future with confidence.

### **Simac BCI**

Simac BCI helps customers in the waste processing industry with the implementation of their ERP software. Further digitalization makes the customer future-proof and ready for CSRD. The current software packages do not meet the needs and requirements of today and Simac BCI therefore sees a growing interest in migrating to a new ERP package. To respond to this interest, Simac BCI has a partnership with AMCS, market leader in the field of ERP software for the waste processing industry. In 2023, the AMCS platform was further developed and prepared for the Dutch market and the first customers have gone live since May 2023.

For 2024 and beyond, Simac BCI expects rising growth in the demand for digitalization, compliance and information needs. Digitalization within the waste and recycling market will grow rapidly in the coming years thanks to improved technology, new legislation and the demand for much more recycled material. The shift from landfill/incineration to recycling and the circular economy will accelerate digitalization and thus the replacement of legacy systems.

### **Simac Cyber Security**

Digital security remains an important theme for Simac customers. The threat from cyber criminals further increased during the past year. Simac Cyber Security ensures that organizations become resilient to cybercrime. This is achieved by, among other things, 24/7 monitoring of systems to timely detect external attacks and initiate interventions from our own Security Operating Center.

In 2023, the emphasis was on migrating all existing customers to the new, advanced monitoring platform that was launched in 2022. This migration has been successfully completed and all customers of the 'Managed Detection & Response' service now use the new platform.

If a customer is nevertheless compromised, Simac Cyber Security is of course at hand and ready to assist. They ensure that customers are able to minimize any damage and quickly be operational again. The 'Incident Response Retainer' service was created for this purpose in 2023.

The focus for 2024 is on further growth in the number of customers for the Managed Detection and Response service. In addition, efforts are underway to further broaden the service portfolio, in order to be able to offer a full range of relevant security services as a permanent security partner to customers.

## Information Technology abroad

Information Technology abroad comprises the Simac operating companies in Belgium, France, Luxembourg and the Czech Republic. This is complemented by a small service company in Germany.

### Simac ICT Belgium

In 2023, Simac ICT Belgium took an important step by entering into its new head office in Heverlee (near Leuven). A beautiful, state-of-the-art building in which almost all smart building technology available within the Simac family has been applied. A milestone and showpiece at the same time. And... built with future growth in mind. After all, the building symbolizes the ambitions of the organization.

Simac ICT Belgium consists of four separate business units. Their review of the past year is described separately below.

The Integration business unit integrates total solutions based on best-of-breed vendors in the field of networking, cyber security, collaboration and hybrid data centers. In addition to advice and project implementation, Integration provides an extensive range of managed services to offer customers a full-service solution.

In 2023, Integration succeeded added one of the most important framework contracts in the Belgian public market to an already extensive portfolio of framework contracts. The VITO contract has a term of seven years and focuses on hybrid data center solutions. Last year, a start was also made with the introduction of managed security services. The managed firewall service is the first in a series of managed security services that will be introduced to the market from the first quarter of 2024.

Finding the right employees remains a challenge, as it was before. Although an improvement can be seen from the latter part of the year onwards thanks to an increased focus on employer branding. The economic environment in Belgium is likely to remain difficult until the third quarter, after which improvement is expected. Despite this difficult market, the portfolio is well filled as is the commercial pipeline, thus providing the basis for realizing a positive 2024, like previous years.

Professional Services has had a busy and eventful 2023. The business unit has been around for fifteen years in which people & services are key. The core of the business is still formed by its Managed Onsite Services, generating approximately 185,000 billable hours/year at customers. The people of Professional Services are the 'eyes and ears' in the customers' organizations and on their shop floors. They are the 'trusted ambassadors' in various sectors and industries and have been pushing Professional Services in the direction of IIOT (Industrial Internet of Things) for a few years now. Deliberate investments were made in this area in 2023. This has led to the IOTech unit that proudly offers added-value solutions for all Simac customers. And not only on the Belgian

market, as various Dutch companies have been listed as new customers as well, in collaboration with Dutch colleagues.

Investments in the IOT field were the result of a conscious vision to be one of the first integrators to bridge the gap between IT & OT. Many customers are increasingly focusing their digitalization, automation and business optimization on their core business in industry.

Measure twice and cut once applies like no other in the world of sensors and trackers (IOT), yet Simac customers realize all too well that all this must always remain linked to IT, be safe, generate data and be well monitored. Right up Simac's street.

The Data Center & Connectivity Solutions (DCS) department of Simac ICT Belgium has evolved from experts in structured data cabling to an integrator that successfully sets up large data centers at home and abroad. As an IT integrator, Simac has an in-depth understanding of the requirements and positions of both IT and facility teams. By bridging the gap between IT & facilities, DCS positions itself as an intermediary that offers added value to all stakeholders. In addition to the expertise needed to design, install and maintain a data center, DCS offers 24/7 management of the life cycle of the complete IT environment, under the denominator of 'Floor Management'. In addition, DCS positions itself as a brand-independent DCIM integrator on the Belgian market, which has been able to carry out some great projects in recent years.

DCS uses an extremely solution-oriented approach, which is also applied to the growing demand for Smart Buildings and related solutions. At the same time, there is the realization that project-related activities are always finite. Managing data centers for large customers is increasingly growing to be the core business of DCS.

Having sufficient staff available at all times to carry out assignments remains the biggest challenge. DCS operates in a competitive market at a high level of knowledge and expertise, which means that newcomers really have to step out of their comfort zone early on in their careers.

A wave of AI applications is heading our way in the coming years, meaning data centers will require more computing power on the same surface area. This in turn will have an impact on data center designs: higher density, increasing energy consumption per square meter and therefore the need to switch to liquid cooling. Consequently, daily management will become more complex and combine more techniques. The need for monitoring (measure twice and cut once) will increase. DCIM applications themselves will also use AI to support all of this.

The BMS business unit (Wavetel in France) aims to become the European leader in IT network metrology. Its main activity consists of providing advanced solutions for monitoring and managing telecommunications and IT networks. This involves accurately measuring and monitoring various parameters within communications networks, such as signal quality, network capacity, equipment performance and observability. Their expertise enables network operators and end customers to guarantee optimal service quality for end users, quickly identify and resolve network issues and optimize operational efficiency. BMS and Wavetel play a crucial role in maintaining and improving the performance of telecommunications and IT infrastructures in Europe.

BMS/Wavetel performed well in 2023 and signed important new contracts with major companies such as telecommunication companies, energy companies, banks and insurance companies. One of the most important successes has been the EDF/ENEDIS market for which BMS was selected. This market includes delivering network testing and supervision solutions for the next seven years. Partnerships and teams extend across all activities, including IT Performance and observability, Telecommunications and Wireless, Photonics and of course the R&D department specialized in



detecting voice or data network failures. For the coming year, BMS/Wavetel will continue to strengthen its teams to maximize customer satisfaction and develop its markets in France and Belgium, but also in Germany and the Czech Republic.

### **Simac ICT Czech Republic**

Simac ICT Czech Republic achieved a record turnover and gross margin last year. The main pillars for its successes are Skoda Auto and the Czech public sector. Among enterprise customers, we are seeing a steady shift towards cloud services, software-defined networking and network function virtualization, including cloud security. Simac ICT Czech Republic also sees opportunities in the conservative public sector.

Investments have been made in IT security solutions, a specialist for sales of security solutions has been taken on and the team of security consultants has been strengthened.

In IoT, Simac ICT Czech Republic investigated various data platforms and their use in smart-city environments. Communication technologies for autonomous vehicles were developed with Passengera. The Robotic Process Automation portfolio has been expanded with a view to the transition to the Microsoft Power Automate portfolio and more complex customer projects.

Getting talented people on board remains a challenge. However, based on references from its own employees, Simac ICT Czech Republic was successful in this.

In the field of security, Simac ICT Czech Republic is expanding its portfolio and skills to respond to changes in IT environments. The goal is to generate more revenue with new and advanced services, such as application performance monitoring, robotic process automation services or security services.

Software solutions enable Simac ICT Czech Republic to go beyond providing infrastructure and address business problems of customers. Skills and portfolio are developed further in the field of process automation, data platforms and analyses.

### **Simac PSF**

Luxembourg-based Simac PSF specializes in IT integration, focusing on security, networks, systems and storage, while it also operates an important business unit dealing with data cabling. The Luxembourg market is becoming increasingly competitive. Customers are opting for a number of cloud-related solutions, but the on-premise part remains strong. This year we worked on reducing our portfolio to profile ourselves as experts in specific technologies and selected IT manufacturers. In 2023, the key challenge was recruiting experienced engineers, closely followed by the challenge of quickly executing the significant orders and projects won. In addition, Simac PSF struggled with the significant increase in regulations for various domains. Simac PSF maintains a positive outlook towards the new year. They recognize the need to demonstrate ambition, promote collaboration, embrace agility and show commitment to success. Maintaining a strong reputation with customers will be paramount in its strive for broad success in the future.

### **Simac PHI DATA**

As an independent creator and integrator of Smart Edge solutions, Simac PHI DATA guides companies and organizations in their digital transformation. It does this in the following sectors: industry and manufacturing, transport and logistics, distribution and retail, health and care, government and administration and service and utility companies. Through the combination of innovative technologies and proven solutions on the one hand and professional services on the other, Simac PHI DATA helps these organizations with the continuous optimization of business processes and workflow.

While a number of new opportunities presented themselves during the COVID crisis, such as the need for solutions to ensure a safe distance, we observed an increasing caution for investment and a focus on cost control in the various market sectors in 2023. Many new purchase projects, as well as replacement projects, were either postponed or phased. This had a clear impact on sales, especially in the latter part of the year. Other market players, including suppliers and competitors, agree that they had very similar experiences.

It's against this background that Simac PHI DATA became a 100% Simac operating company in mid-2023. In the last quarter, a new general and financial management was installed and the necessary transfers were completed.

Through its strategic partnership with BlooLoc, a promising high-tech solution for collision warning, pallet tracking and warehouse optimization was added to the portfolio. With this, Simac PHI DATA continues to develop as a trusted advisor in a market that is confronted with an extremely rapidly evolving reality, both technologically and on a macro-economic and geopolitical level.

While according to all indicators the market will not immediately revive at the beginning of 2024, an improvement in the latter part of the year is on the cards. Previously postponed and new investments are expected to materialize. Simac PHI DATA does not intend to wait for this and will proactively look for new opportunities among its large customer community in the various sectors.

## Smart Solutions

### Simac Document Solutions

Simac Document Solutions has been able to continue its growth of 2022 into 2023. The number of customers and long-term contracts once again increased, further strengthening its foundation.

Simac Document Solutions focuses on digitizing data and document-related processes in the broadest sense of the word, especially in the automotive, manufacturing and transport and logistics sectors. These sectors still use paper a lot and therefore there are still plenty of challenges to digitize and automate these processes. In doing so, companies can organize their processes more efficiently, with fewer manual actions being required.

Because Simac solutions are mainly offered via the cloud, customers are provided with a full-service package, while always having access to the latest version of the solution offered.

In 2024, the emphasis will mainly be on migrating existing customers to the cloud on the one hand and winning new customers to continue growth on the other. To this end, Simac Document Solutions wants to attract new employees who bring their own energy and ideas and therefore keep the company alert to new developments.

### **Simac Triangle**

With a strong focus on the Social Work and Municipal Health Service market segments, Simac Triangle, as a supplier of the state-of-the-art client registration system Central Station, has seen its market position grow in 2023. The software platform allows more and more professionals from these organizations to excel. Great ease of use and flexible design variants make their work more efficient while safeguarding critical processes.

Customers have the desire to work more data driven. This means, among other things, combining and enriching data more intelligently, thereby enabling use at a higher level of abstraction for policy choices. While 2023 saw mainly quantitative customer growth, 2024 is the year in which qualitative customer growth is the objective. Main calling card therein will be the largest welfare organization in the Netherlands, which has now opted for Central Station. Their activities and network are an unprecedented advantage in increasing Simac Triangle's market position. The motto 'like knows like' certainly applies here.

Simac Triangle's position as a knowledge partner is growing stronger. The company adds to the discussion about market developments, the client-service provider relationship, the application of AI, trends and registration pressure versus the usefulness of registration. This in collaboration with the Social Work chair of the University of Humanistic Studies and renowned knowledge institutes. The Managed Print Services unit focuses on thermal printing, better known as printing labels that we can see in parcel shipping, among other things. The collaboration with Zebra, a supplier of thermal printers and also a market leader, offers great opportunities for the future. Employees of this unit also use their knowledge and experiences to serve the Central Station platform. An advantage of our flexibility and a textbook example of Teamnology.

### **Simac Electronics**

Simac Electronics is a leading provider of sustainable products and services for realizing and managing digital infrastructures. The company helps customers improve their communication, safety and mobility. In 2023, its sales strategy will be refined and organized into specialized clusters with measuring equipment and fiber optic and radio frequency components and services. The expansion of 5G networks in both the Netherlands and Belgium combined with the aforesaid tightening resulted in growth in the Mobile Infrastructure cluster. The Tactical Network Infrastructure and Defense Industry clusters once again benefited from the strong market position and continued investments in the sector. Partly driven by the acquisition of Fomax, the High-tech Industry cluster has grown into the top 3 activity with a focus on specialist measuring equipment for fiber optics. Transport Industry and Service experienced a positive year as well.

Staff shortages and logistical challenges due to increasing volumes put additional pressure on the organization. Nevertheless, Simac Electronics can look back on a record year in terms of turnover with strong profitability, exceeding the growth of 2022.

(Slight) growth in turnover is expected for 2024 as well, thereby building on the successes of 2023. Further investments in marketing, IT, logistics, personnel/training and sales strategy, among other things, are being implemented according to careful planning. This way Simac Electronics remains relevant for customers and employees.

As part of its 'Vision 2028' policy plan for the coming years, Simac Electronics, together with customers and partners, will opt for the most sustainable option when using technology. Further focus within the clusters will result in gradual growth in the coming years.

### **Simac Masic**

The 2023 financial year developed erratically for Simac Masic and ultimately ended with a loss. The order book was reasonably full at the start of the year. The focus on Automated Visual Inspection Systems, especially for the pharmaceutical components market, had a positive effect on this.

Various orders for complex systems continued to be placed by customers in the first part of the year. Most of these systems had to be delivered in the last quarter of the year, which caused a significant workload imbalance within our organization.

New technologies and applications were implemented driven by our own development and increasing customer demands. With the current generation of iMs and Vision Integration projects, customers can achieve a higher level of quality, but above all improve their efficiency and reduce failures. Simac Masic's Technology Roadmap will be further supplemented in 2023 to continue to achieve its position as Technology Leader in the coming years.

In 2023, a lot of the attention will be focused on optimizing operational processes. Investments have been made in a new machining center and expansion of the ERP system. The development of the Supply Chain and further professionalization of the purchasing processes have received new impetus with the recruitment of a supply chain manager and purchasing professionals.

During the year, Simac Masic noticed that sales of Visual Inspection Systems within the pharmaceutical market were declining. Following a wave of investment in production capacity that started during the COVID period, Simac Masic now notices that there is reluctance to further expand this capacity. However, this reluctance is temporary. However, in order to compensate somewhat for the cyclical nature of this market, further efforts have been made to develop contract manufacturing activities. The first results of these efforts are now becoming apparent.

In 2024, Simac Masic will move to another building in Heerlen. Other property developments are planned at the current location, which in any case necessitates a move by Simac Masic. At the new location, the company has more space to further realize its growth ambitions.

### **Simac QuadCore**

Simac QuadCore offers innovative services to industrial customers in the Netherlands, the EU and, if necessary within the project, also worldwide. Its area of expertise includes Control/PLC, SCADA and MES systems, with a specific focus on Smart Solutions according to Industry 4.0 principles, Digital Twinning, and OT environment management.

In 2023, Simac QuadCore was able to achieve its goals, including 10% growth in both turnover and results. A great result, made possible thanks to a dedicated Simac team in combination with external employees. Furthermore, it was a challenge to find highly-qualified engineers. Despite the latter, Simac QuadCore was able to welcome several new colleagues and the company is very proud of its people and the growth achieved together in the various market segments.

A combination of activities and sufficient spread will continue to be important for 2024. A strong basis, that offers continuity and security to loyal customers and allows new customers to be acquired. As a dynamic player on the industrial market in 2024, Simac QuadCore strives for growth, driven by dedication, flexibility and intensive cooperation, i.e. being a partner for customers. The focus is on providing customers with a full-service solution combined with professional support during the migration to Industry 4.0.

The broadening of the product range creates new opportunities and challenges, with a strong presence in sectors such as Food & Beverage, Machine Construction, Automotive, Storage and Transshipment and Water and Environmental Technology.

In 2024, the company will continue to focus on growth, broadening its knowledge areas with well-trained engineers, but also paying attention to personal development as a basis for professionals

now and in the future. Simac QuadCore maintains close contacts with technical and personal trainers in the Netherlands and Belgium, thus preserving its status as an attractive employer based on Simac, a family business.

### **Simac IDS**

Simac IDS develops and integrates solutions for large, often complex organizations in the Netherlands and the United Kingdom to be able to identify, register and track visitors and 'users'. The individual is central in this and therefore Simac IDS creates a safe and pleasant environment in which to work, study, recreate and live.

In 2023, the Presto and Pronto product suites were developed further to adapt to customer dynamics. The increasingly complex processes more and more require technology that actually supports the processes and users to give them the space to perform their primary tasks.

In 2023, Simac IDS was faced with a difficult market in which many projects were delayed and decisions postponed. Nevertheless, Simac IDS was able to add some great customers, such as the University of York and University of Kent in the UK, and complete expansions at existing customers with new locations in need of a safe environment as well, such as at Jaegs, Humanitas, but also the beautiful new headquarters of our colleagues in Belgium.

An important further development within the portfolio is operation using the smartphone. Simac IDS has launched its own app for access control via a smartphone, which feature will of course also be found in the Simac buildings.

After a difficult year, the prospects are now positive. Simac IDS received a number of commitments from existing and new customers. The year 2024 will therefore be a very interesting year, one in which growth within the organization must be further shaped, in addition to growth in turnover. A clear focus and strategy will help Simac IDS to achieve this.

### **Simac Learning Solutions**

Simac Learning Solutions wants to make education more flexible and personal through digitalization. The demand for practice-oriented education is changing, with the connection between education and business becoming increasingly challenging. By providing tailor-made advice and learning resources to educational institutions, Simac Learning Solutions wants to support education in making the necessary changes.

The year 2023 was not an easy year for Simac Learning Solutions. It has thus far failed to achieve significant growth in turnover, which means that results remain under pressure. Staff turnover meant some operational challenges had to be overcome. However, we can look back on a number of great achievements in the past year, such as the new MKE Webshop and the development of LearningBox4.

## Personnel and organization

On December 31, 2023, the number of full-time employees at Simac amounted to 1,313 (year-end 2022: 1,200). During the year under review, an average of 1,252 employees were employed on a full-time basis, compared to 1,184 in 2022. The average number of employees in the Netherlands is 920 (2021: 866).

The average sickness absence level in the Netherlands, exclusive of maternity leave, is 4.34% (2022: 4.58%).

### Social working environment

Employees being the most important asset in the company is a common statement. Simac underlines this. The genuine attention paid to people within Simac originates from the DNA of the family business. Simac offers a social working environment, with an eye for the employee's personal development and private situation. Both are taken into account, where possible.

### Investing in knowledge

Continuing to develop yourself is inherent to the business in which Simac operates. The market is developing at a rapid pace, which requires continuous investment in knowledge. In addition, the major partners with whom Simac collaborates require that technical professionals continue to complete training courses in order to remain certified. To give all other employees the opportunity to continue to develop as well, everyone at Simac has a subscription to GoodHabitz. This is a platform where employees can attend unlimited (short) online training courses. This varies from languages and digital skills to personal skills and soft skills.

### New employees

Recruiting new employees remains one of the key objectives for the new year. It is an ongoing process. Close contacts are maintained with schools and universities, among other things. For example, as part of a joint effort, a program has been drawn up in which students doing a university of applied sciences degree program work four days, combined with one day at school. This helps in new recruits joining the company.

### Works council

As in previous years, 2023 has seen constructive collaborations with the works council of Simac Technology. Relations between the board of directors and the works council members are positive, with respect for each other's positions and viewpoints.

## Expectations

Simac expects 2024 to be another challenging year. In order to restore returns to a normal level, it is important that the cost increases faced by Simac can be compensated through efficiency improvements or price adjustments. In recent years, a lot has been invested in standardization of the service offered and process improvements.

Employees and management have by now shown to be motivated and flexible in dealing with the challenges that arose. The board of directors is confident that the organization will be able to continue this in 2024. With various measures (including a home-working allowance and special care leave), Simac will continue to facilitate employees in the (home) performance of their job and with attention to their private situation. A healthy work/life balance contributes to the well-being of employees.

The speed at which information and communication technology changes is expected to remain high in the next few years, which in turn means that pressure from the market to provide our IT services more efficiently and at lower costs continues unabated.

An important bottleneck remains the availability of qualified technical ICT staff. Simac aims to attract people who feel at home in our corporate culture because this is expected to offer the best chance of continuity. Provided market conditions do not deteriorate, Simac will continue to recruit new staff. One of the objectives for 2024 in this respect concerns the further substitution of external temporary staff by in-house employees.

Simac will also continue to invest in the innovation and automation of its service provision in order to improve customer satisfaction. In the longer term, this will contribute to the consolidation of customer relationships and thus the continuity of Simac. We also expect a continued strong focus on data and information security.

Simac is prepared to make acquisitions if this leads to a demonstrable contribution to its service provision or improvement of its position in defined markets. An important precondition for future acquisitions is that Simac wishes to finance these from its own resources and that the expected payback time remains within acceptable limits.

In the field of operational investments, Simac takes into account progress on the current implementation of a new ERP system for Simac IT NL. Simac further expects continued investments in security and the healthcare market. The self-financing of the leased vehicle fleet will be continued for the time being.

Simac recently announced that it will leave its current head office location at De Run 1101 for a new location at De Run 4250, locally known as techniekHuys. Simac expects to complete the move in the latter part of 2024.

In 2024, Simac will make a start to meet the CSRD requirements (Corporate Sustainability Reporting Directive). In 2026, based on the current regulations, Simac will have to start reporting in accordance with CSRD in its directors' report for the 2025 financial year.

Investments in and financing of participating interests will also receive attention in 2024. Although the uncertainties and risks are greater here, technology and innovation offer opportunities for high returns in the future.

Simac expects to end 2024 with a positive operating result, but refrains from making detailed statements about the expected return. Simac has adequate financing for its operational working capital needs. However, given the current uncertainties in the market and possible recourse to additional financing, Simac is expected to be cautious with acquisitions.

Veldhoven, March 27, 2024

The board of directors,  
**Maartje van Schagen**  
**Eric van Schagen**  
**Michael van Kasteren**  
**Ine Frings**



# Corporate Governance

## Explanatory notes to corporate governance

Simac endorses the importance of proper corporate governance, including the integrity and transparency of the actions by its management and has opted to explain the applicable principles and structure below.

In accordance with the statutory provisions in Book 2 of the Netherlands Civil Code, the full two-tier board structure applies to Simac Techniek NV. The Dutch Corporate Governance Code does not apply.

### Outlines of corporate governance structure

Simac Techniek NV has a board of directors and an independent supervisory board. This is a so-called two-tier management structure. The main features are as follows:

#### **Board of directors**

During the year under review, the management of Simac Techniek initially consisted of two people (CEO and CFO), but was expanded to four during the financial year. Two members have been appointed as members of the board. The board of directors of Simac Techniek NV engages in the management and strategy of the company, as well as the deployment of resources and manpower. The board regularly consults the supervisory board. In accordance with the applicable regulations, important decisions are submitted to the supervisory board and/or the general meeting of shareholders for approval. The supervisory board appoints the board of directors and can suspend and/or dismiss a director. The remuneration and other terms and conditions for appointing a director are determined by the supervisory board.

#### **Supervisory board**

The supervisory board supervises the policy of the board of directors and the general affairs and advises the board. The supervisory board focuses on the interests of the company. Supervisory directors are independent and appointed by the general meeting of shareholders, on the recommendation of the supervisory board. A supervisory director resigns on the date of the general meeting of shareholders, four years after his appointment and may be reappointed without limit. The remuneration of the members of the supervisory board is stipulated by the general meeting of shareholders. The supervisory board includes an audit committee and a remuneration committee.

#### **Annual general meeting of shareholders**

The annual meeting is held each year, within five months of the financial year ending. In addition to the agenda items prescribed by law, the agenda of the general meeting of shareholders also contains other proposals of the board of directors, the supervisory board or board of shareholders representing at least 3% of the issued capital.

The main powers of the general meeting are:

- the right to appoint the supervisory directors and to determine the remuneration;
- the adoption of the financial statements and the discharge of the board of directors for the policy pursued and the supervisory board for their supervision in the past year under review;
- adoption of dividend on ordinary and preference shares;
- resolutions on amendments to the articles of association;
- issuance by the company of shares or the restriction or exclusion of pre-emptive rights of shareholders;
- the purchase and cancellation of own shares by the company.

#### Information about the male/female ratio

Simac has taken note of the legislation regarding the male/female distribution on the board of directors and the supervisory board. As Simac aims to commit and hold on to its board of directors, management and supervisory directors on a long-term basis, it will take time before the company has realized proportional representation. In the case of future vacancies, Simac will take the existing deficiency into account, although suitable individual quality for the vacancy will, of course, remain a basic principle and condition.

The holding board consists of two men and two women. The supervisory board consists of three men and one woman.

## Risk and risk management

Simac has a risk management and control system (Internal Control Framework) that takes into account the size and complexity of the organization.

1. Analysis of operational and financial risks.
2. Manuals for the organization of financial reporting and the procedures to be followed during the set-up thereof.
3. A monitoring and reporting system.

### 1. Risk analysis of operational and financial risks

The main operational and financial risks are explained below.

Competition comes from both national and international ICT companies. A number of competitors (especially large organizations with a deviating corporate model) may at certain times feel that the combination of a market product is important to the extent that, for a certain period of time, they are prepared to offer specific solutions under the market price or to take measures anticipating a scale to be attained in the future. This can lead to prices being put under pressure or the loss of customers and assignments.

Despite all research, the close involvement of the board of directors, supervisory board and other precautions, acquisitions remain an important risk factor. This partly explains why a cautious acquisition policy is conducted.

Important to Simac is that a substantial part of the margin comes from management contracts which are often entered into for multiple years. Positive and negative changes in this recurring business affect the development of future profitability. Any changes in the contract portfolio are monitored by management from month to month and a lot of attention is paid to the renewal dates of current contracts. In the event existing contracts are not renewed, there is a risk of short or long-term losses due to underutilization. If these losses prove to be structural, Simac may be compelled to adjust its work capacity accordingly.

ICT projects are generally accepted on the basis of fixed price agreements (obligation of result). Entering into result obligations leads to higher risks in respect of profitability, particularly in the case of large projects.

Systems installed or infrastructures managed by Simac for its customers are used for operationally critical processes. Interruption of these operational processes as a result of actions by Simac may lead to (reputational) damage and claims.

Due to the introduction of the General Data Protection Regulation (GDPR), Simac has concluded processing agreements with customers for whom personal data are processed. In addition, Simac has appointed a data protection officer.

The markets in which Simac operates are subject to fast technological changes. The introduction of new products or technologies could lead to a rapid and substantial reduction of income from current products and services. It is vital that Simac is able to timely adopt and integrate new technologies in its range of products and services.

Suppliers who are important to Simac issue partnership statuses which are decisive for the prices and conditions under which Simac can purchase from these suppliers. Retention of these statuses is important in respect of purchasing discounts and other favorable purchasing conditions. Technical engineers from Simac regularly attend certification courses to ensure specific product knowledge.

Partly due to the shortage on the labor market, Simac frequently uses specialist external staff for the execution of assignments at clients. Simac has drawn up internal rules for the assessment of suppliers and the prior drafting of legally adequate (tax) agreements. Despite the risk-mitigating measures taken (including partial payment on G accounts), Simac can be formally held liable for wage and turnover tax to be paid by the supplier.

Simac acknowledges that there are increasing risks of cybercrime. These risks relate to both internal business operations and services at customers. Simac has an active operating security center (SOC) in place. Simac also actively invests in this segment through Simac Cyber Security. Internal office automation will be centralized as much as possible in the coming years. This means measures can be secured more and immediate action can be taken in the event of incidents.

Within the framework of risk management, Simac Techniek NV has taken out insurance for the group where possible, thereby providing against the most common risks relating to business operations, such as trading loss, fire and liability. Simac is of the opinion that the insurance taken out offers sufficient cover to manage such risks and to limit the effect on the result.

Furthermore, reference is also made to note 18 of the explanatory notes to the consolidated financial statements, as this provides further explanations of the credit, liquidity and market risks.

## 2. Guidelines for the organization of financial reporting and the procedures to be followed for the set-up thereof

The guidelines for the organization of financial reporting and the procedures to be followed for the set-up thereof are incorporated in the Simac Accounting Manual. This manual includes the following elements:

- group reporting schedule
- set of standard reporting formats
- accounting manual
- intercompany procedures

The reporting formats include monthly balance sheets and profit and loss accounts and statements of the working capital and foreign exchange positions. In addition, the budgets and the monthly figures are often furnished with explanatory notes (management summary) by the board of directors of the Simac companies. The budget is evaluated quarterly, resulting in an adjusted forecast for the current financial year. The working capital statements are prepared on a weekly basis and contain information on accounts receivable, accounts payable, inventories and liquid assets.

The biweekly foreign exchange positions focus on the foreign currencies that are most important to Simac, namely USD, CHF, GBP and JPY. Simac covers the reported foreign exchange positions as much as possible in cash, taking into account the projected cash flows in time, where necessary.

The intercompany procedures provide for a monthly written liaison on mutual progress and debts.

After consultation with the tax authorities, Simac has decided to terminate the horizontal monitoring agreement. Measures for securing reliable processing of tax liabilities are incorporated into the existing system of internal control and management measures as much as possible. Simac believes that these measures provide sufficient guarantees for the submission of acceptable tax returns. Simac continues to periodically consult with the tax authorities on the implementation of its internal measures and the significant (tax) positions it has taken.

### 3. Risk of fraud

The board of directors of Simac Techniek NV is aware of the inherent risk of fraud that it runs in the performance of its activities, both internally and externally. In 2023, as in previous years, the board of directors conducted a fraud risk analysis, which showed, in line with expectations, that some areas of the business operations pose a higher-than-normal risk of non-compliance. In 2023, these risks received the necessary attention through the risk management and control systems implemented within Simac, as in previous years.

External parties must be able to rely on Simac and its employees to conduct business reliably, honestly and with due care. That is why Simac has drawn up a code of conduct that sets out the norms and values that apply to every Simac employee. The importance of the code of conduct and compliance is emphasized periodically. A confidential adviser and reporting point have been set up to which any malpractice can be reported confidentially. Our (financial) processes are characterized by the presence of a segregation of duties. This way we prevent that only one person can enter into, authorize, process and settle transactions or obligations and/or has access to assets without the necessary checks in place.

Despite all control measures, there remains the risk of management or directors violating measures, as well as the risk of collusion between employees. Transparent decision-making, the governance structure, an open culture in which we dare to hold each other to account, the presence of a confidential adviser to (anonymously) report unethical conduct, periodic internal and external audits of compliance with control measures, periodic consultations between the group board and the boards of operating companies must all contribute to signaling the override of controls. The foregoing applies to both domestic subsidiaries and subsidiaries established abroad. Each quarter, the boards of directors of the Simac companies report on risk management and control by means of an internal letter of confirmation.

In recent years, there have been regular reports in the media about cyber-attacks, ransomware cases and data breaches. Given Simac's activities, information security has a high priority from the perspectives of continuity, fraud and privacy and the associated reputation. As part of the information security management system, Simac completes an annual program in which priorities are determined on the basis of a business impact analysis. This is coordinated with the board of directors. Simac carries out a risk impact analysis for vital services and processes.

During day-to-day operations, checks are carried out to determine whether the work is performed in accordance with the agreements made, including the various protocols for information security. In addition, the GRC director assesses the quality and compliance of the control measures taken. The management of information security is tested periodically. Any points for improvement serve as input for further tightening and/or compliance with the information security process. Simac is ISO 27001 (Information Security) certified and is currently in the process of implementing ISO 27002 (Supplement Information Security)

The board of directors is of the opinion that, with all analyses and control measures taken, the risks related to controlled and ethical business operations are clear and adequately mitigated.

## 4. Monitoring and reporting

The monitoring and reporting system of Simac is geared to the monthly and quarterly meetings between the board of directors of Simac Techniek NV and the Simac companies. During these meetings, the boards of directors of the subsidiaries provide a more detailed explanation to the financial position, the results and the forecast for the remainder of the financial year based on the monthly balance sheet and the profit and loss account.

Each quarter, the boards of directors of the Simac companies report on risk management and control by means of an internal letter of confirmation. These concern financial risks including complying with reporting requirements, valuation of projects, inventories and accounts receivable, complying with the requirements of rendering account with regard to return and making effective reservations. In addition, an assessment is made in respect of risks attached to legal, insurance and staff aspects, twice a year.

The results of the quarterly reports are discussed by the holding board and the audit committee.

The board of directors of Simac Techniek NV believes that the procedures of quarterly meetings with additional written reporting enable the board of directors to effectively monitor the developments within the subsidiaries and to take corrective measures, where and when required.

# Report from the supervisory board

## Report supervisory tasks by the supervisory board

We hereby present the report of the supervisory board for the 2023 financial year.

The financial statements have been audited by BDO Audit & Assurance bv, who have issued an unqualified audit opinion. This is detailed on page 91 of this annual report. We advise the general meeting of shareholders to adopt the financial statements and to discharge the board of directors from liability.

During the year under review, the supervisory board met six times. One of these meetings was held in the new office of Simac Belgium. The meetings were held in the presence of the holding board, the director of Simal Beheer bv and a family member who holds a management position at Simac.

During 2023, the supervisory board was expressly involved in the decision-making regarding the succession of the CEO of Simac and the appointment of a fourth board member. The council expresses its confidence in both appointments and wishes both Maartje van Schagen and Ine Frings every success.

Other significant topics discussed during the year include:

- Monthly financial reports with insight into the development of results and financial position per operating company and consolidated.
- The adjusted forecast results on the basis of developments during the financial year, per quarter.
- Discussion of the audit report on the audit for the 2022 financial year.
- The budget, both consolidated and per operating company, for 2023.
- Discussion of developments in Simac's liquidity position and the transition of the credit facility to Rabobank.
- Developments per operating company are in some cases monitored closer as directors present their operating companies and are asked questions during the meetings.
- Developments at Simac IT NL, as the largest operating company, have been carefully monitored. This concerns financial, organizational and management developments. The board of directors of Simac IT NL has informed the supervisory board of the state of affairs several times.
- Developments at non-consolidated participating interests and the financing required for this.
- Developments and points of consideration in the personnel policy, including future prospects for and follow-up in management, both nationally and internationally.
- As regards developments in the personnel policy, the supervisory board has asked to be informed of measures taken by Simac for a safe working climate. As part of its efforts, attention was paid to measures to prevent undesired and transgressive behavior.
- Attention to developments in cybersecurity.
- Developments in the field of corporate social responsibility and environmental policy.
- Update on the organizational developments recorded in the 'Strategic Document'.

During 2023, the supervisory board held several constructive meetings with the works council. These meetings took place both with and without the board of directors. Mr. Hermans maintains the primary contact with the works council on behalf of the board.

## Report of the supervisory board committees

The supervisory board has appointed two committees from its midst, the audit committee and the remuneration committee. The meetings of the audit committee are combined with the regular meetings of the supervisory board. The remuneration committee convened twice during the financial year.

### **Audit committee**

The audit committee consists of W. van Winden (chairman) and H.P.M. Kivits.

Before the publication of the financial statements, the audit committee inspected the provisional BDO audit report for the 2022 financial year. On March 15, 2023, the draft financial statements were discussed in a meeting of supervisory and executive directors. Compared to the presented internal figures, no adjustments of material significance were made and no matters of material significance have affected Simac's results or financial position. The financial statements and audit report were discussed by the full supervisory board on April 19, 2023. During the meeting, the external auditor provided further explanation and answered questions.

Following the audit of the 2022 financial year, the audit committee was actively involved in the evaluation. This evaluation led to the decision to propose to the meeting of shareholders to appoint BDO Audit & Assurance bv as auditors for the year 2023.

The chairman of the audit committee and the CFO of Simac conduct monthly digital consultations about current financial matters. Insofar as deemed important by the chairman, items discussed are placed on the agenda of the meeting of the full supervisory board.

### **Remuneration committee**

The remuneration committee consists of Mr. N.I.M. Hermans (chairman) and Mrs. S.J.M. Roelofs. In 2023, the committee met twice in the presence of the CEO and CFO, the HR director and the director of Simac IT NL.

Important topics that were discussed during the meetings concerned the adoption of the fixed remuneration for the board of directors and senior management for the coming year and the adoption of the variable remuneration of the board of directors and senior management for the past year under review.

Recruitment and selection of members of the supervisory board and the board of directors are the responsibility of the remuneration committee. During the financial year, the committee was informed of developments in executive positions at operating companies. The committee met the newly appointed HR director in a personal interview.



The developments in terms of remuneration and the palpable tensions on the labor market have been discussed extensively. The open discussion of this subject between the supervisory directors and the board of directors and HR director is aimed at assessing to what extent the current remuneration and career system is in line with market conditions and future-proof. Other topics that were discussed concern the influx of new employees, vitality, working from home and management development.

#### **Remuneration of the supervisory board**

The remuneration for the members of the supervisory board has been set in accordance with the decision of the general meeting of shareholders.

## **A final word**

Finally, we want to express our gratitude to all members of the board of directors and management, the employees and the works council for their hard work in 2023. During conversations and contact with representatives of the organization and members of the works council, the members of the supervisory board time and again experience everyone's commitment to the future of Simac. A very big compliment to everyone who commits himself to Simac every day.

The positive results and robust financial position continue to be a solid foundation for meeting the challenges in the coming years. Given the development of results in the past financial year, attention to recovery of returns will be an important priority.

The supervisory board notes that a process of gradual rejuvenation and increasing diversity in management has been initiated. Controlled progress of this process is important to Simac's continued success in the future.

Simac recently announced that the move to techniekHuys in Veldhoven will be completed in the course of 2024. During the financial year, the supervisory board was kept informed several times about developments in the negotiations on the sale of De Run 1101 and the search for a suitable replacement building. It is perhaps symbolic that with the appointment of a new CEO, Simac's future is set to continue in techniekHuys.

On behalf of the supervisory board,

#### **Henk Kivits**

chairman

Veldhoven, March 27, 2024

SIMAC FINANCIAL STATEMENTS

# Consolidated Financial Statement of 2023

Amounts in thousands of Euros

## Consolidated balance sheet before profit appropriation

as at December 31, 2023 (2022)

<b>ASSETS</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Intangible fixed assets	3	7,560	5,644
Tangible fixed assets	4	18,693	18,272
Financial fixed assets	5	24,563	20,314
Deferred tax assets	6	1,727	566
<b>Fixed assets</b>		<b>52,543</b>	<b>44,796</b>
Inventories	7	6,033	8,293
Work in progress	8	4,447	8,295
Trade receivables	9	65,909	74,586
Taxes and social security contributions	16	1,071	875
Other receivables, including prepayments	10	21,840	17,527
Investments	11	300	238
Liquid assets	12	13,255	17,885
<b>Current assets</b>		<b>112,855</b>	<b>127,699</b>
<b>Total assets</b>		<b>165,398</b>	<b>172,495</b>
<b>LIABILITIES</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Equity		53,020	56,015
Third-party interest		2,174	2,632
<b>Group equity</b>	<b>13</b>	<b>55,194</b>	<b>58,647</b>
<b>Provisions</b>	<b>14</b>	<b>7,689</b>	<b>6,213</b>
<b>Long-term liabilities</b>	<b>15</b>	<b>760</b>	<b>101</b>
Credit institutions	18	6,714	-
Financial lease obligations	15	68	43
Work in progress	8	8,899	13,280
Trade creditors		33,210	49,122
Taxes and social security contributions	16	8,135	5,611
Other payables, accruals and deferred income	17	44,729	39,478
<b>Short-term liabilities</b>		<b>101,755</b>	<b>107,534</b>
<b>Total liabilities</b>		<b>165,398</b>	<b>172,495</b>

Amounts in thousands of Euros

## Consolidated profit and loss account

for the financial year ending on December 31, 2023 (2022)

	Note	2023	2022
<b>Net turnover</b>	20	333,642	313,093
Other operating income	21	804	456
<b>Sum of operating income</b>		<b>334,446</b>	<b>313,549</b>
Subcontracted work and other external costs		185,406	173,812
Wages and salaries	22	83,357	74,945
Social security and pension contributions	22	19,949	17,016
Amortization of intangible fixed assets	3	2,579	2,637
Depreciation of tangible fixed assets	4	4,157	3,878
Other operating expenses	23	38,322	37,668
<b>Total operating expenses</b>		<b>333,770</b>	<b>309,956</b>
<b>Operating result</b>		<b>676</b>	<b>3,593</b>
Share in the result of non-consolidated participating interests	5	51	1,397
Interest income and similar income		246	631
Changes in the value of receivables included in fixed assets and of investments	24	-1,793	-1,273
Interest expenses and similar expenses		-297	-176
<b>Financial income and expenses</b>		<b>-1,793</b>	<b>579</b>
<b>Result from ordinary business operations before taxes</b>		<b>-1,117</b>	<b>4,172</b>
Taxes result from ordinary business operations	25	-336	-1,506
<b>Group result after taxes</b>		<b>-1,453</b>	<b>2,666</b>
Third-party interest	13	-334	-539
<b>Result after taxes</b>		<b>-1,787</b>	<b>2,127</b>

Amounts in thousands of Euros

## Consolidated statement of changes in group equity

for the financial year ending on December 31, 2023 (2022)

	Equity	Third-party interest	Group equity
<b>Statement of changes in 2022</b>			
<b>Balance as at January 1, 2022</b>	<b>55,138</b>	<b>2,507</b>	<b>57,645</b>
Group result after taxes	2,127	539	2,666
Translation differences	143	34	177
<b>Total result for the financial year</b>	<b>2,270</b>	<b>573</b>	<b>2,843</b>
Changes in consolidation	-36	78	42
Dividends paid	-1,357	-526	-1,883
<b>Transactions with shareholders</b>	<b>-1,393</b>	<b>-448</b>	<b>-1,841</b>
<b>Balance as at December 31, 2022</b>	<b>56,015</b>	<b>2,632</b>	<b>58,647</b>

	Equity	Third-party interest	Group equity
<b>Statement of changes in 2023</b>			
<b>Balance as at January 1, 2023</b>	<b>56,015</b>	<b>2,632</b>	<b>58,647</b>
Group result after taxes	-1,787	334	-1,453
Translation differences	-142	-18	-160
<b>Total result for the financial year</b>	<b>-1,929</b>	<b>316</b>	<b>-1,613</b>
Changes minority interests	-	-333	-333
Dividends paid	-1,066	-441	-1,507
<b>Transactions with shareholders</b>	<b>-1,066</b>	<b>-774</b>	<b>-1,840</b>
<b>Balance as at December 31, 2023</b>	<b>53,020</b>	<b>2,174</b>	<b>55,194</b>

Amounts in thousands of Euros

## Consolidated statement of cash flows

for the financial year ending on December 31, 2023 (2022)

<b>Cash flow from operating activities</b>	<b>2023</b>	<b>2022</b>
<b>Operating result</b>	<b>676</b>	<b>3,593</b>
<i>Restatements for:</i>		
Depreciation and impairment losses	6,736	6,515
Changes in provisions	1,476	2,148
<b>Total of the restatements</b>	<b>8,212</b>	<b>8,663</b>
<i>Changes in working capital:</i>		
Inventories	2,260	-4,193
Work in progress	-533	498
Trade receivables	8,677	-8,108
Other receivables, including prepayments	-4,313	-1,954
Trade creditors	-15,912	18,241
Taxes and social security contributions	2,081	636
Other payables, accruals and deferred income	5,330	1,186
<b>Total of changes in working capital</b>	<b>-2,410</b>	<b>6,306</b>
<b>Cash flow from business operations</b>	<b>6,478</b>	<b>18,562</b>
Dividends and interest received	339	751
Interest paid	-297	-176
Income taxes paid	-1,249	-4,044
<b>Cash flow from operating activities</b>	<b>5,271</b>	<b>15,093</b>

The cash flow statement continues on page 44.

Amounts in thousands of Euros

<b>Cash flow from investing activities</b>	<b>2023</b>	<b>2022</b>
Investments in intangible and tangible fixed assets	-6,574	-10,555
Divestments of intangible and tangible fixed assets	1,256	586
Acquisition of capital interests	-4,938	-5,077
Disposal of capital interests	457	1,686
Loans issued, funds lent and securities	-5,845	-6,934
Repayments received on loans, funds lent	-	712
<b>Cash flow from investing activities</b>	<b>-15,644</b>	<b>-19,582</b>
<b>Cash flow from financing activities</b>	<b>2023</b>	<b>2022</b>
Dividends paid	-1,507	-1,880
Changes in equity and third-party interest	-148	216
Withdrawal of bank credit	6,714	-
Repayments or repayments on other loans	684	15
<b>Cash flow from financing activities</b>	<b>5,743</b>	<b>-1,649</b>
<b>Change in cash</b>	<b>-4,630</b>	<b>-6,138</b>
<b>Cash movements</b>	<b>2023</b>	<b>2022</b>
Balance at the end of the reporting period	13,255	17,885
Less:		
Acquisition of capital interests	-	-
Balance at the beginning of the reporting period	17,885	24,023
<b>Change in cash</b>	<b>-4,630</b>	<b>-6,138</b>

# Explanatory notes to the consolidated financial statements

## Overview of notes under the explanatory notes to the consolidated financial statements

1. Consolidated accounting principles
2. Purchases and sales of group companies and participating interests
3. Intangible fixed assets
4. Tangible fixed assets
5. Financial fixed assets
6. Deferred tax assets
7. Inventories
8. Work in progress
9. Trade receivables
10. Other receivables, including prepayments
11. Investments
12. Liquid assets
13. Group equity
14. Provisions
15. Long-term liabilities
16. Taxes and social security contributions
17. Other payables, accruals and deferred income
18. Risks arising from financial instruments
19. Rights and obligations not included in the balance sheet
20. Net turnover
21. Other operating income
22. Personnel expenses
23. Other operating expenses
24. Changes in the value of receivables included in fixed assets and of investments
25. Taxes on profit
26. Related parties
27. Events after the balance sheet date



## 1. Consolidated accounting principles

Simac Techniek NV is established in the Netherlands. It has its registered office at De Run 1101 in Veldhoven, the Netherlands (5503 LB). The company is registered with the Chamber of Commerce under file reference number 17057712.

The consolidated financial statements for the 2023 financial year include Simac Techniek NV and its subsidiaries (jointly referred to as "Simac" or "the Group" and separately as the "group entities" or "group companies") and the interest of Simac in non-consolidated participating interests.

Simac is primarily engaged in system integration and ICT service provision (information and communication technology). Simac is also active on the periphery of ICT and technology through a number of specialized operating companies. In addition to its home market in the Netherlands, Simac is geographically active in Belgium, Germany, France, Luxembourg, the Czech Republic and the United Kingdom. By participating in a number of non-consolidated participating interests, Simac explores technological developments and innovations for the future.

### General

The consolidated financial statements of Simac Techniek NV have been prepared in accordance with the provisions of Title 9, Book 2 of the Netherlands Civil Code. The general basis for the consolidated financial statements for the valuation of assets and liabilities, as well as for the calculation of the result, is the acquisition price or manufacturing cost. Unless stated otherwise, assets and liabilities are included at nominal value.

### Continuity

The financial statements have been prepared on a going-concern basis. Simac's board of directors aims to guarantee the continuity of its services. In its pursuit of continuity, the board acts on the basis of the following 6 pillars:

- A financially solid basis
- Spread of activities
- Long-term contracts
- Focus on employees and culture
- Room for innovation
- The environment

The key indicators in the context of the going concern assumption at year-end 2023 are as follows:

- Group equity: € 55,194 (2022: € 58,647)
- Operating result before depreciation/amortization of (in)tangible fixed assets € 7,412 (2022: € 10,108)
- Group result after taxes: € -1,453 (2022: € 2,666)
- Solvency based on group equity: 33.4% (2022: 34.0%)
- Net cash position: € 6,540 (2022: € 17,885)

In December 2023, Simac concluded a new credit agreement with Rabobank and terminated the agreement with Deutsche Bank. The available facilities have remained at a comparable level. The most important ones being a current account facility of € 12.5 million and a guarantee facility of € 5.0 million. No financial covenants apply.

Simac has the following options to improve its liquidity in 2024:

1. The investment associated with the construction of a new industrial building in Belgium will be transferred to Simac's major stockholder.
2. Simac has an outstanding loan related to the fleet of vehicles in use. The repayment of this loan can be accelerated in some cases.

The board of directors is therefore of the opinion that the continuity of Simac is guaranteed.

#### **Application of Section 402, Book 2 of the Netherlands Civil Code**

The financial data of the company are included in the consolidated financial statements. Therefore, in accordance with Section 402, Book 2 of the Netherlands Civil Code, the separate profit and loss account only states the share in the result from participating interests after tax and the remaining result after tax.

#### **Functional currency and presentation currency**

The financial statements are presented in Euros, the functional currency of Simac. All financial information in Euros has been rounded off to the nearest thousand, unless stated otherwise.

#### **Estimates and assessments**

Drawing up the financial statements in accordance with Title 9, Book 2 of the Netherlands Civil Code requires management to make assessments, estimates and assumptions which affect the applied principles, the reported value of assets and liabilities and income and expenditure.

The estimates and corresponding assumptions are based on past experiences and various other factors which, given the circumstances, are deemed reasonable. The actual outcomes may deviate from these estimates and could lead to material adjustments in subsequent financial years. Significant influence of estimates and assumptions mainly manifests itself in the valuation of fair value measurements of assets and liabilities in the event of acquisitions, deferred tax assets, work in progress and provisions.

Estimates and underlying assumptions are under continuous review. Revised estimates are included in the period in which the estimates are revised and in future periods affected by that revision.

#### **Key accounting principles**

The accounting principles set out below have been consistently applied to all periods presented in these consolidated financial statements. The accounting principles have also been consistently applied to the entities that form part of Simac.

## Consolidation principles

The consolidated financial statements of Simac include the financial data of the Group companies and other legal entities over which predominant control can be exerted or for which Simac conducts the overall management. Group companies are participating interests in which the company holds a majority interest, or on which a policy-setting influence can be exerted in some other way. The determination of whether a policy-setting influence can be exerted involves financial instruments that contain potential voting rights and which can be exercised immediately, thereby giving the company more or less influence.

The consolidation includes the financial data of the group companies listed below. Unless stated otherwise, it concerns 100% interests.

Belgium:	Simac NV, Heverlee Simac Holding Belgium NV, Heverlee Simac PHI DATA NV, Wemmel
Germany:	Simac BMS GmbH, Cologne
France:	Wavetel SAS, Larmor Plage, 70%
Luxembourg:	Simac PSF SA, Leudelange
The Netherlands:	aQuestora bv, Eindhoven Aranea Consult bv, 's-Hertogenbosch Simac BCI bv, Veldhoven Simac Beleggingen bv, Veldhoven Simac Cyber Security bv, Veldhoven Simac Document Solutions bv, Ede Simac Electronics bv, Drunen Simac IDS bv, Veldhoven Simac International Services bv, Veldhoven Simac IT NL bv, Veldhoven Simac Learning Solutions bv, Veldhoven Simac Masic bv, Heerlen Simac QuadCore bv, Veldhoven Simac Results Velsen bv, Velsen Simac Triangle bv, Eindhoven
Czech Republic:	Simac Technik CR AS, Prague, 80%
United Kingdom:	Simac IDS Ltd., Manchester, 63%

### **Non-consolidated participating interests:**

Luxembourg:	Simac Professional SA, Bascharage, 50%
The Netherlands:	Breedband Regio Eindhoven bv, Eindhoven, 5% Centrale 24 Techniek bv, Eindhoven, 50% Chess Wise bv, Haarlem, 45% GX International bv, Eindhoven, 15% Meditools bv, Uden, 30% Sensite Solutions bv, Eindhoven, 19%

	Treams Group bv, Eindhoven, 17%
	Vital10 Holding bv, Amsterdam, 10%
Czech Republic:	Passengera SRO, Prague, 44%
Sweden:	Inteno Holding AB, Skärholmen, 11%

During the financial year, the following changes have occurred in the group structure:

- Acquisition of 30% interest in PHI DATA NV
- The name of PHI DATA NV was changed to Simac PHI DATA NV
- The name of hmb Nederland bv was changed to Simac Results Velsen bv
- The interest in Passengera was expanded to 44%.

Acquisitions of group companies and other participating interests are further explained in note 2.

The items in the consolidated financial statements are prepared in accordance with uniform accounting principles of the group.

Newly acquired participating interests are included in the consolidation from the moment that policy-setting influence can be exerted. Divested participating interests are included in the consolidation until the date of termination of this influence.

The group companies are fully consolidated with third-party minority interest shown separately. If the losses attributable to the third-party minority interest exceed the minority interest in the equity of the consolidated company, the difference, as well as any other losses, will be charged to the majority shareholder in full. Due to the negligible importance of some group companies to the whole, consolidation has been omitted pursuant to Section 407, subsection 1, Book 2 of the Netherlands Civil Code.

The third-party interest in the result is deducted from the group result separately, as the last item in the consolidated profit and loss account. The result after taxes accrues to the shareholders of Simac. The controlling shareholder of Simac is Simal Beheer bv, which holds 98.7% of the ordinary shares and all preference shares A and B.

#### **Elimination of transactions in the event of consolidation**

Intra-group balances and transactions and any unrealized profits and losses on transactions within Simac or income and expenses from such transactions are eliminated when drawing up the consolidated financial statements.

## Foreign currency

### Transactions in foreign currencies

Transactions in foreign currencies are converted into Simac's functional currency at the applicable exchange rate on the transaction date. Monetary assets and liabilities expressed in foreign currencies are converted into the functional currency on the balance sheet date, at the exchange rate applicable on that date.

Non-monetary assets and liabilities in foreign currencies that are included at fair value are converted into Euros at exchange rates that applied on the dates on which the fair value was determined. The exchange differences that occur during conversion are included in the profit and loss account.

### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments that arise upon consolidation, are converted into Euros at the exchange rate applicable on the reporting date. The turnover and costs of foreign operations are converted into Euros at the rate that approximates the exchange rate on the transaction date. Exchange rate differences that arise from conversions are included in the reserve for translation differences, except insofar as the exchange rate difference is attributed to minority interests.

## Financial instruments

### Non-derivative financial instruments

Upon initial recognition, loans, receivables and deposits are included on the date on which they arise. Initial recognition of all other financial assets is on the transaction date. The transaction date is the date on which Simac commits to the contractual provisions of the instrument.

Simac no longer includes a financial asset in the balance sheet if the contractual rights to the cash flows from the asset expire or if Simac transfers the contractual rights to receive the cash flows from the financial asset through a transaction in which virtually all risks and benefits associated with ownership of this asset are transferred. If Simac holds or creates an interest in the transferred financial assets, this interest is included as an asset or liability separately.

Financial assets and liabilities are only set off in the balance sheet if Simac has a legally enforceable right to this set-off and if it intends to set off on a net basis or to realize the asset and the liability simultaneously.

## Accounting principles

### Application of the Annual Reporting Guidelines

Changes in the guidelines of the Dutch Accounting Standards Board (DASB), which apply for the first time for the 2023 financial year, have no significant influence on Simac's financial statements.

### Intangible fixed assets

#### Goodwill

Goodwill is the positive difference between the acquisition price of participating interests and the net asset value at the time of acquisition, minus amortization. The capitalized goodwill is amortized on the basis of economic life, subject to a maximum of ten years.

#### Research and development

Expenditure for research activities is included in the profit and loss account as an expense when incurred.

Development costs are capitalized insofar as they relate to project costs that are considered commercially feasible and valued at manufacturing price. They mainly include the salary costs and the research and production staff involved; the capitalized costs are amortized over five years according to the straight-line system, after the development phase has ended. A statutory reserve has been included for that part of the capitalized research and development costs that have not yet been amortized.

#### Other intangible assets

Other intangible fixed assets acquired by Simac with a finite useful life are stated at cost less cumulative amortization and cumulative impairment losses.

#### Depreciation

The amortization is charged to the profit and loss account on a straight-line basis and on the basis of the estimated economic life of the intangible fixed assets, subject to a maximum of twenty years. Goodwill is amortized over five years. Other intangible assets between four and ten years.

### Tangible fixed assets

#### Recognition and valuation

Tangible fixed assets are stated at cost, reduced by cumulative depreciation and cumulative impairment losses.

The cost includes all costs that can be directly attributed to the acquisition of the asset. The cost of assets made in-house includes the cost of materials, direct labor costs and any other costs that can be directly attributed to preparing the asset ready for use, possible costs for dismantling and removal of the asset and the repair costs of the site where the asset is located.

Software that has been purchased and which is integral to the functionality of the corresponding equipment is capitalized as part of the relevant equipment.

## Depreciation

Depreciation is charged to the profit and loss account in accordance with the straight-line method, on the basis of the estimated useful life of each part in a tangible fixed asset. Unless it is reasonably certain that Simac will acquire ownership of the leased assets at the end of the lease term, they are depreciated during the term of the lease agreement or the useful life, whichever is shortest. Sites are not depreciated. Lessee investments are depreciated according to the term of the underlying lease.

The estimated useful life for the current and comparable periods is as follows:

- Buildings and renovations 5 – 30 years
- Other fixed assets 3 – 10 years

Buildings and renovations include lessee investments. Maintenance costs are included in the profit and loss account when incurred.

## Leased assets

Lease agreements as part of which Simac assumes virtually all risks and benefits associated with ownership are classified as financial leases. Upon initial recognition, the leased asset is stated at the lowest of the fair value and the present value of the minimum lease payments. After initial recognition, inclusion will be in accordance with the applicable principle.

Other lease concerns operational lease agreements the leased assets of which are not included in Simac's balance sheet.

## Financial fixed assets

### Non-consolidated participating interests

The participating interests in which significant influence is exerted on the operational and financial policies but over which Simac has no control, are valued at net asset value. This is calculated by valuing the assets, provisions and liabilities and by calculating the result on the basis of the accounting principles that apply to the parent company. A statutory reserve is created for retained profits of participating interests valued at net asset value that are not at the free disposal of the company. A significant influence is deemed to exist if Simac holds between 20% and 50% of the voting rights of the participation.

Participating interests with a negative net asset value are valued at zero. When the company fully or partially vouches for debts of the participating interest in question, a provision is created, primarily at the expense of the receivables from this participating interest and for the remainder under the provisions to the extent of the share if the participating interest has suffered losses, or for the anticipated payments by the company for these participating interests.

Participating interests in which no significant influence is exerted on the operational and financial policies are valued at acquisition price and, if applicable, subject to deduction of impairment losses.

The capital interests, other than participating interests, of a permanent nature are valued at acquisition price or lower market value and, if applicable, subject to deduction of impairment losses.

### Loans and receivables

Loans and receivables are financial instruments with fixed or determinable payments not listed on an active market. Such assets are stated at the fair value on initial recognition plus any directly attributable transaction costs. After initial recognition, loans and receivables are carried at amortized cost by means of the effective interest method, reduced by any impairment losses.

### Inventories

Inventories are stated at cost, or at net realizable value if lower. The net realizable value is the estimated sales price within the framework of ordinary business operations, reduced by the estimated costs of completion and the costs to sell.

The cost of inventories is based on the "first in, first out" principle (FIFO) and comprises the expenditure made upon acquisition of the inventories, the installation costs and other costs incurred as part of transportation to the existing location and adaptation to the current condition. The cost of inventories further consists of directly attributable indirect costs on the basis of normal business capacity.

### Work in progress instructed by third parties

Simac carries out projects instructed by third parties, on a contract basis. The costs by virtue of a project are recognized when incurred. Provided the results of a project can be reliably estimated, project income and costs are recognized across the contract term. If the project results cannot be reliably estimated, income is only recognized up to the amount of the project costs incurred, insofar as these are covered by the project income with sufficient certainty. If total project costs are likely to exceed total project income, the full anticipated loss will be included as a change in work in progress.

Simac uses the percentage of completion method for measuring the performances delivered in the execution of the projects. In this method, project costs incurred are compared with and expressed as a percentage of the total estimated project costs. Income and costs are recognized in the profit and loss account on the basis of this progress. Expenses incurred in one year for project activities in the next are not included in the calculation.

Since there is a flow of projects with terms mostly shorter than one year with completion dates showing a pattern of regular spread, the profit of a project is recognized in the year of completion. The foregoing is subject to the condition that this accounting method, in comparison with the accounting method in which interim project results are measured, has no material influence on the result and equity.

Projects are shown on the balance sheet as a receivable from or debt to the clients by virtue of the contracts. Reference is made to a receivable if the amount of the return realized exceeds the



amount of the terms invoiced. If the amount of the return realized is lower than the terms invoiced, it is referred to as a debt. The above is determined per individual project.

### Trade and other receivables

Upon initial measurement, trade and other receivables are included at fair value and subsequently carried at amortized cost, which is equal to the nominal value, after deduction of the provisions deemed necessary regarding the risk of being unable to collect receivables. These provisions are determined on the basis of an individual assessment of the receivables.

### Contract costs to be amortized

Costs and investments that are directly attributable to service and management contracts are capitalized and then amortized over the contract period. The amortization can relate to a period of more than 12 months.

### Investments

Shares quoted on the stock exchange are valued at market value as at the balance sheet date, with both unrealized and realized changes in value being recognized directly in the profit and loss account as "changes in the value of receivables included in fixed assets and of investments" under financial income and expenses. Bonds held to maturity are carried at amortized cost.

### Liquid assets

Liquid assets are valued at nominal value. Unless stated otherwise, liquid assets at the free disposal of Simac.

### Impairment losses

#### Non-derivative financial assets

On each reporting date, a financial asset that is not included in the profit and loss account at fair value is assessed for objective evidence of having been subject to an impairment loss. A financial asset is deemed to be subject to an impairment loss if there is objective evidence that an event has occurred after the initial recognition of the asset, which event has had an adverse effect on the expected future cash flows of that asset and which can be reliably estimated.

Objective evidence that financial assets (including shares) are subject to an impairment loss include non-compliance with payment obligations and overdue payments by a debtor, restructuring of an amount due to Simac under conditions that Simac would not have considered otherwise, indications that a debtor or issuer will go bankrupt, adverse changes in the payment status of debtors or issuers within Simac, economic circumstances associated with defaults of payment and the disappearance of an active market for a certain investment.

In addition, a significant or long-term fall in the fair value of an investment in shares below cost is deemed objective evidence of an impairment loss.

An impairment loss in respect of a financial asset carried at amortized cost is calculated as the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest of the asset.

Losses are included in the profit and loss account and expressed in a provision for loans and receivables or investments held to maturity. Interest on the asset subject to an impairment loss is included. If an event after the balance sheet date (for example, payment by a debtor) leads to a reduction of the impairment loss, this reduction will be reversed via the profit and loss account.

### **Non-financial assets**

The carrying amount of Simac's non-financial assets, excluding inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is evidence of impairment losses. If such evidence exists, an estimate is made of the realizable value of the asset.

An impairment loss is included if the carrying amount of an asset or the cash flow generating entity (at Simac, this concerns an operating company in most cases) to which the asset belongs is higher than the estimated realizable value.

Impairment losses are included in the profit and loss account. Impairment losses included in respect of cash flow generating entities are first deducted from the carrying amount of any goodwill allocated to the entities and then deducted from the carrying amount of the entity's other assets.

Impairment losses with regard to goodwill are not reversed. At each reporting date, impairment losses included in prior periods with regard to other assets are assessed for evidence that the loss has decreased or no longer exists. An impairment loss is reversed if the estimates on which basis the realizable value was determined have changed. An impairment loss is only reversed insofar as the carrying amount of the asset does not exceed the carrying amount, after deduction of depreciation, which would have been determined if no impairment loss had been included.

## **Share capital**

### **Ordinary shares**

Ordinary shares are classified as equity. The marginal costs that are directly attributable to the issue of ordinary shares and share options are included as a deductible item from equity, after deduction of any tax effects.

### **Preference share capital**

The preference share capital is classified as equity if it is non-redeemable and the dividend payments are voluntary, or if it is redeemable but only at the discretion of Simac Techniek NV. Dividend on preference share capital classified as equity is included as a profit distribution within equity, after adoption by the general meeting of shareholders.

### **Dividends**

Dividends are included as a liability in the period in which they are declared.

### **Third-party interest**

The third-party minority interest is valued at the proportional share of third parties in the net value of the assets and liabilities of the relevant group company, determined in accordance with Simac's accounting principles. Insofar as the group company has a negative net value, this will not be allocated to the third-party interest unless there is an actual obligation for the third-party shareholders and they are able to meet the obligation.

## **Provisions**

### **General**

A provision is included in the balance sheet when Simac has a legally enforceable or actual obligation as a result of a past event that can be reliably estimated and it is probable that an outflow of resources will be required to settle that obligation.

Provisions are determined by calculating the net present value of the expected future cash flows based on a pre-tax discount rate that reflects the current market estimates of the time value of money and, where necessary, the specific risks associated with the obligation. The interest accrual of provisions is posted as a financial expense.

### **For pensions**

Simac has arranged pension schemes for its employees based on both a defined contribution plan and a defined benefit plan. This concerns insured schemes in all cases.

A defined contribution plan is a post-employment benefit plan in which Simac pays fixed contributions to the insurance company and has no legally enforceable or actual obligation to pay further contributions. Obligations in connection with contributions to pension schemes based on defined contributions are included as employee benefit expenses in the profit and loss account when the contributions are due. Prepaid contributions are included as an asset insofar as a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are payable more than twelve months after the end of the period in which the employees delivered the related performance, are discounted up to their present value.

Defined benefit plans are all post-employment benefit plans other than defined contribution plans. Simac's obligations under defined benefit plans are based on the financing agreements laid down between Simac and the pension provider. Obligations in connection with contributions to pension schemes based on defined contributions are included as employee benefit expenses in the profit and loss account when the contributions are due unless in the event of legally enforceable or actual obligations towards the pension provider or employees.

### **Other long-term employee benefits**

Simac's net obligation by virtue of long-term employee benefits that do not relate to a pension commitment relates to the entitlements accrued by employees in exchange for their services in the reporting period and previous periods. These entitlements are discounted to determine the present value, while the fair value of any related assets will be deducted from this.

The discount rate is the return as at the reporting date of high-quality corporate bonds whose maturities approximate Simac's obligations. Any actuarial gains and losses are included in the profit

and loss account in the period in which they occur. The calculation is performed by an accredited actuary, according to the projected unit credit method.

#### **Termination benefits**

Termination benefits are included as an expense if Simac, on the basis of a detailed formal plan, has demonstrably committed itself to terminate the employment of an employee or group of employees before the usual retirement date, without a realistic possibility of revoking that plan. This is also the case if Simac offers termination benefits, thereby encouraging (a group of) employees to leave voluntarily. Termination benefits for voluntary redundancy are included as an expense if Simac has made an offer to encourage voluntary redundancy if it is likely that this offer will be accepted and if the number of employees who will take up the offer can be reliably determined.

#### **Onerous contracts**

A provision for onerous contracts is included in the balance sheet when the benefits expected to be gained by Simac from an agreement are lower than the unavoidable costs of meeting the obligations under the agreement.

The provision is valued at the present value of the expected costs for terminating the contract or if lower, at the present value of the expected net costs for continuing the contract. Prior to the recognition of a provision, Simac may include an impairment loss on the assets relating to the contract.

#### **Restructuring**

Restructuring provisions are included when Simac has approved a reorganization plan and a start has been made with the restructuring or the restructuring has been announced. No provision is made for future operating expenses.

### **Short-term liabilities**

On initial recognition, short-term liabilities are stated at fair value. After initial recognition, short-term liabilities are stated at amortized cost. This is usually the nominal value.

### **Net turnover**

#### **General**

Simac includes revenue for each separate performance obligation. A performance obligation is a commitment in an agreement to deliver:

- a distinguishable good or service or a combination of goods or services that together can be distinguished from other commitments in the agreement; or
- a series of distinguishable services that are largely the same.

A promised good or promised service can be distinguished if the following criteria are met:

- the buyer can independently use the benefits of the goods or services, whether or not in combination with resources that the buyer has or can obtain; and
- the commitment to deliver the goods or services can be distinguished from the other commitments included in the agreement.

If two or more commitments of Simac included in an agreement to supply goods or services cannot be distinguished separately, the commitments will be combined into a combination of goods or services that can be distinguished jointly from other commitments in the agreement.

In the event of multiple performance obligations in an agreement, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. Simac bases this value on the independent sales price per performance obligation. If the independent selling price is not known, Simac applies estimates.

#### **Sale and installation of goods**

Turnover from the sale and installation of goods is included at fair value of the consideration received or to be received, after deduction of trade discounts. Income from the sale of goods and projects is included in the profit and loss account if the important risks and benefits of ownership have been transferred to the buyer, the collection of the consideration due is likely, the costs in connection with this or the possible return of goods can be reliably estimated, the goods are not subject to continuous management engagement and the extent of the income can be reliably ascertained. If a discount is likely to be granted and provided this can be reliably ascertained, the discount will be included as a reduction of the income when including the sales.

The transfer of risks and advantages varies according to the conditions of the relevant sales contract, yet usually takes place when the goods are delivered to the client in the event of selling goods. Risks and benefits in relation to the sale of projects are usually transferred upon project acceptance by the customer.

#### **Service and management contracts and other services**

Turnover by virtue of service and management contracts and other services is included in the profit and loss account in accordance with the phase of completion of the transaction on the balance sheet date. The phase of completion can be ascertained on the basis of assessments of the work performed.

#### **Work in progress instructed by third parties**

Income from work in progress carried out on the instruction of third parties relates to projects carried out for customers and which are subject to an obligation of result. It concerns projects in the fields of ICT infrastructures, ICT applications and industrial automation.

Contractual income includes the initial amount as contractually agreed, increased with possible deviations in the contractual work, insofar as it is likely that they will generate income and can be reliably ascertained.

If a reliable estimate can be made of the result of work in progress carried out on the instruction of third parties, the contractual income will be included in the result in accordance with the phase of project completion. The phase of completion can be ascertained on the basis of assessments of the work performed. If the result of a contract cannot be reliably ascertained, contractual income will only be included insofar as it is likely that the contract costs incurred will be recouped.

Contractual expenses are included as soon as they are incurred unless these expenses lead to the formation of an asset which is related to future contractual work. Anticipated losses in a project are included in the result immediately.

#### **Rental income**

Rental income from subletting property is included under other operating income.

### **Operating expenses**

#### **Costs of service and management contracts**

The costs of service and management contracts are recognized in the profit and loss account according to the term of these contracts. The corresponding prepayments and accrued income are included under other receivables, including prepayments.

#### **Subcontracted work and other external costs**

Subcontracted work and other external costs are included at acquisition price. Purchasing discounts and bonuses, freight charges, import duties due and the costs of inventory write-downs are also included under this item, as is the hiring of direct personnel. The hiring of indirect personnel is recognized under other operating expenses.

#### **Employee benefits**

Wages, salaries and social security contributions are recognized in the profit and loss account on the basis of the terms and conditions of employment, insofar as they are owed to employees or the tax authority.

### **Lease payments**

#### **Lease payments under operational leasing**

Lease payments under operating leasing are included in the profit and loss account on a straight-line basis for the duration of the lease period.

#### **Lease payments under financial leasing**

The minimum lease payments are partly included as financing costs and partly as repayment of the outstanding obligation. The financing costs are allocated to each period of the total lease term in such a way that this results in a fixed periodic interest rate on the remaining balance of the obligation.

### **Financial income and expenses**

Share in the result from participating interests concerns the result attributed to Simac in non-consolidated participating interests. This includes the book result when selling a participating interest.

Interest income and similar income include interest income on invested funds, dividend income, and similar income. Interest income is included in the profit and loss account through the effective interest method, as it accrues. Dividend income is included in the profit and loss account as soon as

Simac's entitlement to payment is established. In the case of listed investments, this is the date on which the dividend is paid.

Interest expenses and similar expenses include the interest expenses on funds withdrawn, the interest accrual on provisions, and impairment losses of financial assets. All financing costs, including those on financial lease payments, are included in the profit and loss account using the effective interest method.

## Taxes on profit

The tax on profit or loss for the financial year comprises the income taxes due and offsettable for the reporting period and deferred income taxes. The income tax is only included in the profit and loss account insofar as it relates to items that are included directly in equity, in which case the tax is included in equity.

The tax payable and offsettable for the financial year is the expected tax to be paid on the taxable profit for the financial year, calculated on the basis of tax rates that have been determined on the balance sheet date or that have already been largely decided on as at the balance sheet date, and corrections to tax due for previous years.

Deferred tax assets and liabilities are formed on the basis of the balance sheet method, whereby an asset is formed or a provision is made for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the carrying amount of those items for tax purposes. Deferred taxes are not included for goodwill that is not tax-deductible. Deferred taxes are valued using the tax rates that are expected to apply upon reversal of the temporary differences, based on the laws that have (largely) been decided on as at the reporting date. Deferred tax assets and liabilities are stated at nominal value.

A deferred tax asset, including receivables based on offsettable carry-forward losses, is only included insofar as future taxable profits which can be utilized for the realization of the asset item are likely to be available. The amount of the deferred tax assets will be reduced insofar as the realization of the associated tax benefit is no longer likely.

## Segmentation

The segmentation used in the financial statements is based on the classification adhered to for internal reporting purposes. Simac's operations can be divided into two operational segments.

The Information Technology segment provides a wide range of generic IT services with a focus on the design, implementation and management of IT infrastructures and the design, construction and delivery of industry-specific and solution-related applications. The Smart Solutions segment offers highly specialized technology solutions for various niche markets. As regards the Information Technology segment, operations in the Netherlands and abroad are reported separately on account of the relative turnover volume.

Group sales are, insofar as possible, eliminated per business segment.

## Principles of the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash consists of cash and liquid assets. Cash flows in foreign currencies are converted at the rates used in the profit and loss account.

Income and expenses from interest and tax on profits are included in the cash flow from operating activities. Dividends paid by Simac to its shareholders are included in the cash flow from financing activities.

The acquisition price of acquired group companies is included in the cash flow from investing activities, insofar as payment was made in cash. The cash available at the acquired group company is adjusted in cash movements. When selling group companies, the net sale price, insofar as received, is recognized after deduction of liquid assets sold. When acquiring or selling other (non-consolidated) capital interests, the net purchase price or sale proceeds are stated.

Goodwill identified upon the acquisition of group companies and other capital interests is included in the cash flow statement as part of the acquisition price. Transactions which do not involve an exchange of cash resources are not recognized in the cash flow statement, with the exception of translation differences on participating interests. These are accounted for in changes in equity and third-party interest.

## 2. Purchases and sales of group companies and participating interests

On April 24, 2023, Simac acquired FOMAX trading enterprise through a transfer of assets and liabilities. No employees were involved in this takeover. For this acquisition, goodwill has been paid and capitalized as an intangible asset. The trading enterprise has been added to the activities of Simac Electronics bv.

On June 12, 2023, Simac acquired 30% of the shares of PHI DATA NV. As a result, Simac now owns all outstanding shares. For this acquisition, goodwill has been paid and recognized as an intangible asset. Following this transaction, the name of the company was changed to Simac PHI DATA NV. The financial year under the articles of association of this company was changed to coincide with the calendar year.

On October 2, 2023, Simac signed an outsourcing agreement. Under this agreement, Simac will take over and continue the IT services for two supermarket formulas. This agreement further means that Simac has taken over 71 employees in accordance with the Transfer of Enterprise Act. On the basis of the aforesaid agreement, Simac and the outsourcing company have formed a Social Fund. This fund has been recognized on the balance sheet at year-end 2023, under provisions.

In December 2023, Simac increased its interest in Passengera from 27% to 44%. The purchase price due was paid partly by bank transfer and partly by conversion of existing loans. Based on Simac's share in Passengera's equity, a provision of 75% was recognized on this interest at the end of the financial year.



Upon the acquisition of 70% of the shares of Wavetel SAS in 2018, Simac obtained an option to purchase the remaining 30%, with the current 30% shareholder having a right to sell to Simac. The possibility of exercising both options is subject to a standstill period of three years after the acquisition. After the end of the standstill period, both parties have decided to continue the cooperation on the current basis.

Simac has not formed a provision for possible obligations arising from the future execution of the option agreements in connection with the acquisition of the remaining shares of Wavetel.

Amounts in thousands of Euros

### 3. Intangible fixed assets

<b>Statement of movements</b>	<b>Goodwill</b>	<b>Other</b>	<b>Total 2023</b>	<b>Total 2022</b>
Acquisition value	15,441	1,497	16,938	16,577
Cumulative depreciation	10,758	536	11,294	8,657
<b>Carrying amount as at January 1</b>	<b>4,683</b>	<b>961</b>	<b>5,644</b>	<b>7,920</b>
Investments	-	335	335	21
Acquisition of subsidiaries	3,756	-	3,756	
Acquisition of other participating interests	-	-	-	
Acquisition of activities	404	-	404	340
Other changes	-	-	-	-
<b>Changes in acquisition value</b>	<b>4,160</b>	<b>335</b>	<b>4,495</b>	<b>361</b>
Depreciation	2,275	303	2,579	2,637
Impairment loss	-	-	-	-
Other changes	-	-	-	-
<b>Changes in cumulative depreciation</b>	<b>2,275</b>	<b>303</b>	<b>2,579</b>	<b>2,637</b>
Acquisition value	19,600	1,832	21,433	16,938
Cumulative depreciation	13,033	839	13,873	11,294
<b>Carrying amount as at December 31</b>	<b>6,567</b>	<b>993</b>	<b>7,560</b>	<b>5,644</b>

Acquisition of subsidiaries relates to the acquisition of the remaining 30% interest in PHI DATA NV. After completion of this transaction, Simac owns 100%. Acquisition of activities relates to the FOMAX trading enterprise. Both takeovers are further explained in note 2 above. The total of the purchase prices amounts to € 4.6 million.

Investments in other intangible fixed assets relate to capitalized development costs at PHI DATA and Wavetel.

Unless stated otherwise, depreciation or impairment losses are recognized in the profit and loss account under depreciation or impairment losses.

Amounts in thousands of Euros

## 4. Tangible fixed assets

	<b>Company buildings and grounds</b>	<b>Other fixed assets</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Statement of movements</b>				
Acquisition value	14,074	30,517	44,591	37,257
Cumulative depreciation	3,433	22,886	26,319	24,714
<b>Carrying amount as at January 1</b>	<b>10,641</b>	<b>7,631</b>	<b>18,272</b>	<b>12,543</b>
Investments	2,032	3,804	5,836	10,189
Divestments	-2,015	-3,118	-5,133	-1,988
New consolidations	-	-	-	-
Other changes	-	-267	-267	-867
<b>Changes in acquisition value</b>	<b>17</b>	<b>419</b>	<b>436</b>	<b>7,334</b>
Depreciation	565	3,592	4,157	3,878
Divestments	-1,085	-2,817	-3,902	-1,402
New consolidations	-	-	-	-
Other changes	-	-240	-240	-871
<b>Changes in cumulative depreciation</b>	<b>-520</b>	<b>535</b>	<b>15</b>	<b>1,605</b>
Acquisition value	14,091	30,936	45,027	44,591
Cumulative depreciation	2,913	23,421	26,334	26,319
<b>Carrying amount as at December 31</b>	<b>11,178</b>	<b>7,515</b>	<b>18,693</b>	<b>18,272</b>

Investments in company buildings and grounds during the financial year largely relate to the construction of a new head office for Simac NV in Heverlee. The new head office was delivered mid-2023. Divestments relate to the sale of the former head office in Kortenberg.

Investments in other fixed assets during the financial year include € 299 (2022: € 821) relating to exchange parts, € 2,255 (2022: € 980) to automation including Simac Power Cloud and € 675 (2022: € 437) to machinery and equipment.

Divestments of other fixed assets during the financial year are accounted for by exchange parts, machinery and equipment and automation including Power Cloud. The carrying amount of assets of which Simac is not the legal owner is € 186 (2022: € 170).

Depreciation or impairment losses are recognized in the profit and loss account under depreciation or impairment losses of tangible assets.

Amounts in thousands of Euros

## 5. Financial fixed assets

	2023	2022
Non-consolidated participating interests	6,422	6,088
Receivables from participating interests	2,779	2,779
Receivables from shareholders	4,995	4,995
Other receivables	10,367	6,452
	<b>24,563</b>	<b>20,314</b>

Non-consolidated participating interests and receivables are further explained below.

Explanatory notes non-consolidated participating interests:

Overview of participating interests of >20%	Locality	Capital interest	Capital interest	Equity	Result
		2023	2022		
Centrale 24 Techniek bv	Eindhoven			-2,524	-541
Chess Wise bv	Haarlem	50%	50%	-9,245	-2,135
Meditools bv	Uden	45%	45%	755	-33
Passengera SRO		30%	30%	306	239
Simac Professional SA	Prague	44%	27%	653	155
	Luxembourg	50%	50%		

Participating interests of >20% are included as capital interests in which Simac exercises significant influence on the operational and financial policy. The data on equity and result is included on a 100% basis and, with the exception of Centrale 24 Techniek and Meditools, based on internal reporting of these participating interests as at December 31, 2023. The data from Centrale 24 Techniek and Meditools are the most recent figures.

During the financial year, Simac increased its interest in Passengera to 44%. This expansion was financed partly through loan conversion and partly against cash deposit.

In addition, Simac holds a number of participating interests of <20% in which no significant influence is exercised on the operational and financial policy. They are Breedband Regio Eindhoven bv, GX International bv, Inteno Holding AB, Sensite Solutions bv, Treams Group bv and Vital10 Holding bv.

With the exception of the interests in Sensite Solutions bv and Vital10 Holding bv, participating interests of <20% are included at acquisition price. Both of these stated interests have been written down to zero.

Amounts in thousands of Euros

	<b>Total</b>	<b>Total</b>
<b>Changes in participating interests during the financial year</b>	<b>2023</b>	<b>2022</b>
Balance as at January 1	6,088	1,426
Acquisition of interests	838	5,077
Sale of interests	-457	-1,686
Share in the result from participating interests	51	1,397
Dividend received	-93	-120
Translation differences	-5	-6
Recognition of goodwill	-	-
<b>Balance as at December 31</b>	<b>6,422</b>	<b>6,088</b>

Explanatory notes of receivables from participating interests, from shareholders and other receivables:

<b>Changes in receivables during the financial year</b>	<b>Participating interests</b>	<b>Shareholders</b>	<b>Other</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Nominal balance as at January 1</b>	<b>7,238</b>	<b>4,995</b>	<b>8,380</b>	<b>20,613</b>	<b>14,391</b>
Provisions	2,120	-	4,059	6,179	6,934
Repayments	-190	-	-144	-334	-712
New consolidations	-	-	-	-	-
Other changes	-	-	-	-	-
<b>Nominal balance as at December 31</b>	<b>9,168</b>	<b>4,995</b>	<b>12,295</b>	<b>26,458</b>	<b>20,613</b>
Write-down of receivables	-6,389	-	-1,928	-8,317	-6,387
<b>Carrying amount as at December 31</b>	<b>2,779</b>	<b>4,995</b>	<b>10,367</b>	<b>18,141</b>	<b>14,226</b>

Financing has been provided to non-consolidated participating interests. In the 2023 financial year, this largely concerns financing to Chess Wise bv. These are financings that are attributable to Simac since the acquisition of this interest. Receivables from participating interests are partly provided and accounted for at carrying amount, based on Simac's share in the net asset value.

The shareholders item concerns a loan provided to Simal Beheer bv. This loan has a variable interest rate that is dependent on the three-month Euribor, plus a surcharge of 250 basis points. The term of this loan is indefinite and has no fixed repayment schedule.

Other receivables include a loan through Leaseplan Nederland NV. This concerns self-financing of lease cars in use. The residual value of this loan changes with the net amount invested per lease car.

Amounts in thousands of Euros

Simac has provided securities for third parties that are included under other financial fixed assets. These securities have been deposited in blocked bank accounts. As these securities often relate to continuing contracts, the term is expected to be more than 1 year. This item also includes other interest-bearing receivables from third parties.

## 6. Deferred tax assets

Deferred tax assets on the balance sheet date are € 1,276 from offsettable losses attributable to Simac and € 108 from temporary valuation differences. Movements during the financial year are as follows:

<b>Deferred tax assets</b>	<b>Total 2023</b>	<b>Total 2022</b>
<b>Balance as at January 1</b>	<b>566</b>	<b>74</b>
Valuation of losses	1,131	488
Changes in temporary valuation differences	30	4
<b>Balance as at December 31</b>	<b>1,727</b>	<b>566</b>

### Statement and valuation of offsettable losses

The valuation of the deferred tax assets is based on tax losses in the Netherlands available in the future and future profit expectations (for tax purposes). The statement of the available losses and their valuation is as follows:

<b>Statement of available losses and valuation at year-end</b>	<b>Total 2023</b>	<b>Total 2022</b>
Offsettable losses of the tax unity	6,476	2,057
Pre-incorporation losses	2,808	2,808
<b>Available losses</b>	<b>9,284</b>	<b>4,865</b>
Less: non-valued losses	2,808	2,808
<b>Valued losses</b>	<b>6,476</b>	<b>2,057</b>
<b>Valuation on the balance sheet at year-end</b>	<b>1,619</b>	<b>488</b>

The offsettable losses in the Netherlands are partly pre-incorporation losses that cannot be offset within the tax entity. As at the balance sheet date, the entities concerned are unlikely to realize sufficient independent taxable profits in time. As a result, these losses have not been valued.

Amounts in thousands of Euros

Losses of the tax unity are valued at an expected effective tax rate of 25%. Taking into account the tax limitation for loss setoff, Simac does not expect to offset these losses within 12 months.

A total of € 108 (2022: € 78) of deferred tax assets are accounted for by temporary valuation differences and are attributable to Simac Technik CR AS and Simac BMS GmbH.

## 7. Inventories

	2023	2022
Trading stocks	7,343	9,760
Provision for unsaleable items	-1,310	-1,467
	<b>6,033</b>	<b>8,293</b>

The trading stock that is valued at a lower net realizable value amounts to € 4,762 (year-end 2022: € 5,629). Additions and withdrawals from the provision for unsaleable items are included in the costs of outsourced work and other external costs. For the financial year, € 168 was charged to the results (2022: € 52).

## 8. Work in progress

	2023	2022
Capitalized costs of work in progress	20,500	29,000
Anticipated losses on work in progress	-204	-1,945
Invoiced installments on work in progress	-24,748	-32,040
<b>Balance of work in progress</b>	<b>-4,452</b>	<b>-4,985</b>

Project income realized during the financial year on work in progress instructed by third parties amounts to € 113,030 (2022: € 121,236) and are recognized in the net turnover.

Projects for which the capitalized costs exceed the invoiced installments are recognized in the balance sheet as assets. Projects for which the capitalized costs are lower are recognized as debts in the balance sheet. This breakdown is set out below.

	2023	2022
Capitalized costs higher than invoiced installments	4,447	8,295
Capitalized costs lower than invoiced installments	-8,899	-13,280
<b>Balance of work in progress</b>	<b>-4,452</b>	<b>-4,985</b>

Amounts in thousands of Euros

## 9. Trade receivables

	2023	2022
Trade receivables	67,544	76,513
Provision for bad debts	-1,635	-1,927
	<b>65,909</b>	<b>74,586</b>

Additions to and releases from the provision for bad debts are included in other operating expenses. For the financial year, € 502 was credited to the results (2022: € 832 charged to the results).

## 10. Other receivables, including prepayments

	2023	2022
Costs of service contracts to be amortized	14,587	13,473
Turnover to be invoiced	1,984	1,437
Other receivables	186	156
Other items to be amortized	5,083	2,461
	<b>21,840</b>	<b>17,527</b>

The expected long-term part of the costs of service contracts to be amortized is € 5,793 (2022: € 3,550).

## 11. Investments

	2023	2022
Bonds Groupama SA (France)	300	238
	<b>300</b>	<b>238</b>

## 12. Liquid assets

Some of the balance of liquid assets at the end of the financial year concerns € 283 (2022: € 282) held in G accounts. This balance is not at the free disposal of Simac and can only be used for payment of payroll taxes and turnover tax. Due to bank guarantees still outstanding at the end of the financial year, credit amounting to € 1,865 has been pledged to Deutsche Bank AG.



Amounts in thousands of Euros

## 13. Group equity

For a detailed statement of changes in equity, reference is made to note 6 of the explanatory notes to the company financial statements. It also includes the proposed profit appropriation for the financial year.

The share of third parties relates to third-party minority interests in group companies. At the end of the financial year, this concerns the following interests:

- 37% interest in Simac IDS Ltd.
- 20% interest Simac Technik AS
- 30% interest in Wavetel SAS

## 14. Provisions

Specification of other provisions	2023	2022
Jubilee benefits	1,329	1,179
Financing obligations	1,000	1,000
Restructuring	2,491	2,713
Social Fund	1,500	-
Rental liability	1,200	616
Other	169	705
	<b>7,689</b>	<b>6,212</b>
	<b>2023</b>	<b>2022</b>
<b>Balance as at January 1</b>	<b>6,212</b>	<b>4,036</b>
Made during the financial year	4,525	2,737
Used during the financial year	-3,048	-560
Other changes	-	-
<b>Balance as at December 31</b>	<b>7,689</b>	<b>6,213</b>

The majority of Simac's employees in the Netherlands are entitled to jubilee benefits when they reach 12.5, 25 and 40 years of employment. The provision for jubilee benefits is based on an actuarial calculation.

Financing obligations concern a commitment to a participating interest for the provision of a subordinated loan of € 1 million. Conditions are attached to the provision of this loan.

Amounts in thousands of Euros

Reorganization concerns the expected costs of redundancies of management and employees. Social Fund concerns a provision for employee benefits. These are related to the takeover of staff under the Transfer of Enterprise Act. Rental liability relates to the expected costs of vacancy. The other provisions include a provision for the costs of guarantees issued and possible claims.

The part of the provisions expected to be settled within 12 months amounts to € 2.1 million (2022: € 1.9 million).

## 15. Long-term liabilities

	2023	2022
Financial lease obligations	127	101
Suppliers	633	-
	<b>760</b>	<b>101</b>

The financial lease obligations relate to the fleet of Wavetel (France). The suppliers item relates to a four-year loan provided to finance a project in the Czech Republic.

Financial lease obligations expiring within 12 months amount to € 68 (2022: € 43) and are included under current liabilities.

## 16. Taxes and social security contributions

	2023	2022
Turnover tax	4,938	3,293
Wage tax	1,434	1,248
Corporate income tax	398	77
Social security and pension contributions	1,365	993
	<b>8,135</b>	<b>5,611</b>

As regards foreign jurisdictions, wage tax, turnover tax and corporate income tax by their nature include similar taxes.

Short-term receivables include an amount of € 1,071 (2022: € 875) that relates to the corporate income tax position of the tax unity.

Amounts in thousands of Euros

## 17. Other payables, accruals and deferred income

	2023	2022
Contract turnover still to be amortized	20,182	16,082
Holiday pay and days' holiday	10,074	9,104
Employee benefits	4,175	4,792
Other items to be amortized	10,298	9,500
	<b>44,729</b>	<b>39,478</b>

The expected long-term part of contract turnover to be amortized is € 5,932 (2022: € 3,870). Employee benefits include bonuses payable to employees and other variable benefits and rights to periodic payments. Other items to be amortized include third-party work payable, hiring and other accruals and deferred income.

## 18. Risks arising from financial instruments

Due to the use of financial instruments, Simac is exposed to the following risks:

- Credit risk
- Liquidity risk
- Market risk

### 1. Credit risk

Credit risk consists of the loss that should be recognized on the balance sheet date if buyers or other parties to financial instruments would be fully or partially in default in fulfilling their contractual obligations. Credit risks primarily arise from receivables from customers and other financial assets.

#### Trade and other receivables

Simac's exposure to credit risk is primarily determined by the individual characteristics of the individual buyers. In order to limit the credit risk, Simac has taken out credit insurance for trade receivables. This controls the financing risks at its buyers.

In cases where the credit limit issued by the insurer is lower than necessary for the provision of services, the board of directors will make a decision to partly or fully provide it at its own risk. In the event of existing cases, the board of directors has taken into account that there may be existing contract agreements that cannot be changed unilaterally.

In Belgium, Simac provides services for public services and European institutions. This creates trade receivables from these customers. Due to the budgetary and organizational considerations of the customers, Simac is confronted with debtors' days outstanding that exceed the standard debtors'

days outstanding. In addition, claims on governments and other institutions that are deemed unable to go bankrupt cannot be included in the credit insurance. Simac does not take into account any impairment losses in the aforesaid claims against government institutions.

In addition, Simac has larger debts from retail customers with payment periods that also exceed terms that are customary in other sectors. These retail debts are coordinated with the credit insurer.

In a number of cases, Simac sells goods on the basis of a hire purchase agreement. These hire purchase agreements generally have a term of twelve months. When accounting for the result, Simac takes into account the costs of a possible early termination during the term of the agreement. The goods in question remain the property of Simac until payment of the last hire purchase installment.

## 2. Liquidity risk

The liquidity risk is the risk that Simac is unable to meet its financial obligations at the required time. The principle of liquidity risk management is that sufficient liquidity or credit facilities are maintained, insofar as possible, in order to be able to meet current and future financial obligations under normal circumstances, without incurring unacceptable losses or jeopardizing Simac's reputation.

### Financing facility

Simac has an international cash management system for the Benelux, with a credit facility of € 12.5 million being available to Simac companies in the Benelux. In addition, a facility of € 5.0 million is available for the provision of bank guarantees.

### Securities provided

With regard to the facilities provided by Rabobank, Simac has provided the following securities for 100% subsidiaries established in the Netherlands and Simac NV, Belgium.

- Joint and several liability for these companies
- First pledge on machinery and equipment
- First pledge on inventories
- First pledge on receivables

### Other conditions

Provision of quarterly and annual figures and annual budget. Limitation of € 500 for entering into new financial lease obligations.

Amounts in thousands of Euros

### 3. Market risk

Market risk is the risk that the income or value of Simac's financial assets is adversely affected by changes in market prices, such as exchange rates, interest rates and share prices. The objective of market risk management is to keep the market risk position within acceptable limits, while maintaining a maximum return.

#### Exchange risk

Simac's exchange risk is largely the result of purchases and sales as part of its ordinary business operations compared to the Euro. The main exchange risk is the US dollar. Together with a number of other currencies whose risks are lower, the dollar position is frequently monitored and the board of directors decides when and which foreign exchange positions should be hedged.

#### Interest rate risk

The financial lease obligations have a variable interest rate. The credit facility concluded for the Benelux has a variable interest rate that is based on one-month Euribor, plus a surcharge.

#### Fair value

Participating interests in which no significant influence is exerted on the operational and financial policies are valued at acquisition price, as a result of which the fair value can deviate substantially. Quoted market prices are not available for any of these participating interests. Other differences between the carrying amounts of the financial assets and liabilities are assumed to be insignificant.

## 19. Rights and obligations not included in the balance sheet

<b>Operational lease obligations</b>	<b>Rent</b>	<b>Cars</b>	<b>2023</b>	<b>2022</b>
Less than 1 year	3,022	6,263	9,285	8,412
Between 1 and 2 years	1,659	4,610	6,269	5,732
Between 2 and 3 years	1,013	3,437	4,450	4,014
Between 3 and 4 years	766	2,129	2,895	2,273
Between 4 and 5 years	648	595	1,243	1,210
More than 5 years	497	-	497	225
	<b>7,605</b>	<b>17,034</b>	<b>24,639</b>	<b>21,866</b>

#### Guarantees issued

At the end of the year under review, Simac provided or promised bank guarantees or sureties for third parties up to an amount of € 1.8 million (2022: € 3.5 million).

Amounts in thousands of Euros

#### Joint and several liability for corporate income tax and turnover tax

Simac Techniek NV and its Dutch group companies of which at least 95% of shares are owned by Simac are for the most part included in a tax unity. For turnover tax purposes, this concerns all entities. A number of entities are independently liable for corporate income tax. The entities included in the tax entity are jointly and severally liable for the resulting tax liabilities of the tax entity as a whole.

#### Investment and financing obligations

In 2024, based on the outstanding orders for the vehicle fleet on the reporting date, Simac expects an additional self-financing obligation of € 1.8 million (2022: € 2.6 million).

Due to lessee investments, Simac takes into account an investment obligation for 2024 of € 0.6 million.

## 20. Net turnover

Per sales category	2023	2022
Sale and installation of goods (including projects)	175,033	167,017
Service and management contracts	123,745	109,815
Other services	34,864	36,261
	<b>333,642</b>	<b>313,093</b>

Per business segment	2023	2022
Information Technology Netherlands	153,306	146,654
Information Technology abroad	139,130	126,257
Smart Solutions	41,939	40,734
Holding and eliminations	-733	-552
	<b>333,642</b>	<b>313,093</b>

Sales and installation of goods include the design and installation of infrastructures for information and communication technology. This often concerns projects instructed by third parties based on an obligation of result. This also includes the construction and delivery of industry-specific and solution-oriented applications in both ICT and industrial environments. Service and management contracts concern the management of these IT infrastructures and applications.

In the Smart Solutions business segment, turnover projects mainly include the manufacture of vision inspection machines and associated exchange sets.

Amounts in thousands of Euros

## 21. Other operating income

In the 2023 financial year, the book profit on the sale of the property in Kortenberg has been recognized under other operating income. Furthermore, subsidies and contributions received have been recognized.

## 22. Personnel expenses

	2023	2022
Wages and salaries	83,357	74,945
Social security contributions	15,523	11,895
Pension contributions	4,427	5,121
	<b>103,307</b>	<b>91,961</b>

Average number of employees (full-time equivalents)	2023	2022
<b>Business segments</b>		
Information Technology Netherlands	685	649
Information Technology abroad	334	318
Smart Solutions	198	181
Holding	35	36
	<b>1,252</b>	<b>1,184</b>
<b>Geographically</b>		
The Netherlands	920	866
Belgium	185	173
Czech Republic	89	85
Abroad - other	58	59
	<b>1,252</b>	<b>1,184</b>
<b>Number of employees as at the balance sheet date (full-time equivalents)</b>	<b>1,313</b>	<b>1,200</b>

Abroad - other concerns operations in Germany, France, Luxembourg and the United Kingdom.

The average number of external temporary staff during the financial year was 183 (2022: 226).

Amounts in thousands of Euros

## 23. Other operating expenses

	2023	2022
Other personnel expenses	7,520	10,764
Accommodation costs	6,906	5,577
Car and travel costs	9,755	8,499
Telecommunications and automation costs	5,339	4,537
Publicity costs and costs to sell	3,020	2,494
Other costs	5,782	5,797
	<b>38,322</b>	<b>37,668</b>

Other personnel expenses include the costs of hiring indirect personnel, training costs and expense allowances.

Car and travel costs mainly concern operational lease terms for cars. Both car and travel costs were negatively impacted in the financial year by rising fuel and energy prices. The same applies to accommodation costs, which are affected by increased energy prices.

The increase in telecommunications and automation costs is partly in relation to the accounting for external consultancy costs of an ERP implementation. These costs are not capitalized.

Publicity costs have been intensified to support Simac's brand awareness. Some notable expenses concern sponsorships for PSV Eindhoven (football) and the Simac Ladies Tour (cycling).

The overview of the external auditor's fees is as follows:

External auditor fees	BDO			2023	2022
	BDO NL	Network	Other		
Annual audit	433	38	33	504	375
Other financial statements activities	-	-	7	7	19
Tax consultancy fees	73	-	6	79	59
Other advisory work	-	-	20	20	21
	<b>506</b>	<b>38</b>	<b>66</b>	<b>610</b>	<b>474</b>



Amounts in thousands of Euros

BDO NL is BDO Nederland, BDO Netwerk are other BDO offices and Other are other accounting firms that have provided auditing or consultancy services to entities from the scope of consolidation.

## 24. Changes in the value of receivables included in fixed assets and of investments

	2023	2022
Changes in the value of receivables	-1,855	-1,273
Changes in the value of investment	62	-
	<b>-1,793</b>	<b>-1,273</b>

Changes in the value of receivables largely concern financing to non-consolidated participating interests in both 2022 and 2023.

## 25. Taxes on profit

<b>Taxes on profit included in the profit and loss account</b>	2023	2022
Taxes due for the financial year	-1,466	-1,994
Tax adjustments from previous years	-	-
<b>Current taxes</b>	<b>-1,465</b>	<b>-1,994</b>
Realization of deferred tax assets	-	-
Recognition of deferred tax assets	1,131	488
<b>Deferred taxes</b>	<b>1,131</b>	<b>488</b>
<b>Total of current and deferred taxes</b>	<b>-335</b>	<b>-1,506</b>

<b>Reconciliation statement of the effective tax burden</b>	2023	2022
Result before taxes	-1,117	4,173
<b>Nominal income taxes (25%)</b>	<b>279</b>	<b>-1,043</b>
<i>Effect on nominal tax of:</i>		
Cost corrections for tax purposes	-748	-705
Participation exemption	20	24
Rate differences	-20	111
Tax corrections	134	107
<b>Effective income taxes</b>	<b>-335</b>	<b>-1,506</b>
<b>Effective tax burden</b>	<b>30.0%</b>	<b>-36.1%</b>

The nominal tax rate is based on the Dutch corporate income tax rate. Taking into account the first income tax band of 15.0%, an average rate of 25.0% is assumed.

Cost corrections for tax purposes largely relate to the effect of non-tax offsettable goodwill amortization in the Netherlands and rejected expenses in Belgium.

Rate differences in 2023 mainly concern Simac Czech Republic.

Tax corrections in both the 2022 and 2023 fiscal years relate to Wavetel. In France, various tax facilities in the field of research and development are used. They are included as a reduction of the income tax to be paid.

In both 2023 and 2022, income taxes are not included in equity directly.

## 26. Related parties

Unless otherwise stated, all related party transactions were made under normal market conditions (at arm's length).

### **Simal Beheer bv**

Simal Beheer bv is Simac's parent company and owns all outstanding preference shares A and B, as well as 98.7% of the outstanding ordinary shares. As a result, Simal controls 99.5% of the voting rights in the general meeting of shareholders of Simac Techniek NV.

Simac has concluded long-term lease contracts with Simal Beheer bv for a total of three business premises in Veldhoven and Ede.

In 2024, Simac expects to conclude a purchase/sales agreement with Simal Beheer bv regarding the transfer of the shares of Simac Holding Belgium NV. As a result, the new head office for Simac NV in Heverlee (B), completed in 2023, will become the property of Simal Beheer. A multi-year lease has been concluded between Simac Holding Belgium NV and Simac NV.

Transactions and agreements with Simal Beheer bv are submitted to the supervisory board of Simac Techniek NV in advance, for approval.

### **Other related parties**

Other related parties are non-consolidated participating interests of Simac and participating interests of Simal Beheer bv. Trade or financing transactions have taken place with these parties.

## 27. Events after the balance sheet date

At the beginning of March 2024, Simac announced that it will move from its current building at De Run 1101 in Veldhoven. The reason is that this building will be sold to ASML. Simac has found a new location at De Run 4250 in Veldhoven, known locally as techniekHuys.

Like the current building, the new location will become the property of Simal Beheer bv. Simac and Simal Beheer will enter into a multi-year lease. The terms have yet to be determined. Simac expects the move to be completed in the latter part of 2024 and takes lessee investments into account.

Currently, no other events after the balance sheet date are known that have significant consequences for the actual situation as at the balance sheet date.

SIMAC FINANCIAL STATEMENTS OF

Company financial statements of 2023

Amounts in thousands of Euros

## Company balance sheet before profit appropriation

as at December 31, 2023 (2022)

<b>ASSETS</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Intangible fixed assets	2	6,053	4,340
Tangible fixed assets	3	184	278
Financial fixed assets	4	72,146	67,604
<b>Fixed assets</b>		<b>78,383</b>	<b>72,222</b>
Receivables	5	13,554	7,701
Liquid assets		3	4,085
<b>Current assets</b>		<b>13,557</b>	<b>11,786</b>
<b>Total assets</b>		<b>91,940</b>	<b>84,008</b>

<b>LIABILITIES</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Share capital		3,953	3,953
Share premium		68,660	68,660
Statutory reserves		2,947	2,705
Other reserves		-20,753	-21,430
Unappropriated result		-1,787	2,127
<b>Equity</b>	6	<b>53,020</b>	<b>56,015</b>
Provisions	7	4,969	4,470
Short-term liabilities	8	33,951	23,523
<b>Total liabilities</b>		<b>91,940</b>	<b>84,008</b>

## Company profit and loss account

for the financial year ending on December 31, 2023 (2022)

	<b>Note</b>	<b>2023</b>	<b>2022</b>
Result from participating interests after taxes	4	5,482	7,721
Result from holding company after taxes		-7,269	-5,594
<b>Result after taxes</b>		<b>-1,787</b>	<b>2,127</b>

# Explanatory notes to the company financial statements

## Overview of notes under the explanatory notes to the company financial statements

1. Key accounting principles
2. Intangible fixed assets
3. Tangible fixed assets
4. Financial fixed assets
5. Receivables
6. Equity
7. Provisions
8. Short-term liabilities
9. Remuneration of board directors and supervisory directors
10. Rights and obligations not included in the balance sheet

## 1. Key accounting principles

### General

The company financial statements form part of the financial statements of Simac Techniek NV. The exemption under Section 2:402, Book 2 of the Netherlands Civil Code has been used with regard to the company profit and loss account of Simac Techniek NV. With due observance of Section 379, subsection 5, Title 9, Book 2 of the Netherlands Civil Code, a list of participating interests has been drawn up and filed for inspection at the offices of the Commercial Register in Eindhoven.

### Accounting principles

For the general principles for preparing the financial statements, the principles for the valuation of assets and liabilities and the determination of the result, as well as for the explanatory notes to the various assets and liabilities and the results, reference is made to the explanatory notes to the consolidated financial statements, insofar as not stated otherwise below.

The result of participating interests in which significant influence is exercised on the business and financial policy is included as the share attributable to the company in the result of these participating interests. This result is determined on the basis of the accounting principles applicable to Simac Techniek NV, as included in note 1 of the explanatory notes to the consolidated financial statements.

Participating interests with a negative net asset value are valued at zero. A provision is formed when the company fully or partially guarantees the debts of the participating interest or if the company has an actual payment obligation. In determining the provision, provisions made for outstanding claims against the participating interest are taken into account.

For participating interests in which no significant influence is exercised on the business and financial policy and which are stated at cost, the dividend is classified as a result. This is included under financial income and expenses.

Amounts in thousands of Euros

## 2. Intangible fixed assets

Intangible fixed assets only include capitalized goodwill on account of the acquisition of group companies and other participating interests.

<b>STATEMENT OF MOVEMENTS</b>	<b>2023</b>	<b>2022</b>
Acquisition value	14,321	14,321
Cumulative depreciation	9,981	7,788
<b>Carrying amount as at January 1</b>	<b>4,340</b>	<b>6,533</b>
Acquisition of group companies	3,756	-
Acquisition of participating interests	-	-
<b>Changes in acquisition value</b>	<b>3,756</b>	<b>-</b>
Depreciation	2,043	2,193
<b>Changes in depreciation</b>	<b>2,043</b>	<b>2,193</b>
Acquisition value	18,077	14,321
Cumulative depreciation	12,024	9,981
<b>Carrying amount as at December 31</b>	<b>6,053</b>	<b>4,340</b>

On June 12, 2023, Simac acquired 30% of the shares of PHI DATA NV. As a result, Simac now owns all outstanding shares. For this acquisition, goodwill has been paid and recognized as an intangible asset.

When taking over Wavetel, Simac initially acquired 70% of the shares. Simac can, under certain conditions, acquire the remaining 30% of the shares. An option agreement has been concluded for this purpose.

Simac has not made any provision for possible obligations arising from the future execution of this option agreement. At the time of a possible acquisition, goodwill will be identified and amortized in accordance with the applicable accounting principles.

Goodwill will be amortized over five years.

Amounts in thousands of Euros

### 3. Tangible fixed assets

STATEMENT OF MOVEMENTS	Company buildings and grounds	Other fixed assets	2023	2022
Acquisition value	1,385	434	1,819	1,953
Cumulative depreciation	1,120	421	1,541	1,678
<b>Carrying amount as at January 1</b>	<b>265</b>	<b>13</b>	<b>278</b>	<b>275</b>
Investments	8	-	8	183
Divestments	-	-4	-4	-317
<b>Changes in acquisition value</b>	<b>8</b>	<b>-4</b>	<b>4</b>	<b>-134</b>
Depreciation	90	8	98	156
Divestments	-	-	-	-293
<b>Changes in depreciation</b>	<b>90</b>	<b>8</b>	<b>98</b>	<b>-137</b>
Acquisition value	1,393	430	1,823	1,819
Cumulative depreciation	1,210	429	1,639	1,541
<b>Carrying amount as at December 31</b>	<b>183</b>	<b>1</b>	<b>184</b>	<b>278</b>

Investments in company buildings and grounds are lessee investments. These investments are depreciated according to the term of the underlying lease.

Other fixed assets concern capitalized items in the field of automation and machinery and equipment.

### 4. Financial fixed assets

	2023	2022
Participating interests in group companies (DG)	48,292	47,680
Other participating interests (AD)	5,856	5,870
Other receivables (OV)	17,998	14,054
	<b>72,146</b>	<b>67,604</b>



Amounts in thousands of Euros

STATEMENT OF MOVEMENTS	DG	AD	OV	Total 2023	Total 2022
<b>Balance as at January 1</b>	<b>47,680</b>	<b>5,870</b>	<b>14,054</b>	<b>67,604</b>	<b>57,681</b>
Sales and repayments	-	-457	-190	-647	-552
Acquisitions and provisions	4,140	-	4,930	9,070	10,828
Result from participating interests	4,945	537	-	5,482	7,721
Recognition of goodwill	-3,756	-	-	-3,756	-
Dividends received	-6,375	-94	-	-6,469	-8,091
Translation differences	-102	-	-	-102	128
Recognition of deferred taxes	-	-	1,131	1,131	488
Changes in provisions	1,760	-	-1,927	-167	-1,569
Other changes	-	-	-	-	970
<b>Balance as at December 31</b>	<b>48,292</b>	<b>5,856</b>	<b>17,998</b>	<b>72,146</b>	<b>67,604</b>

On June 12, 2023, Simac acquired 30% of the shares of PHI DATA NV. As a result, Simac now owns all outstanding shares. For this acquisition, goodwill has been paid and recognized as an intangible asset. Following this transaction, the name of the company was changed to Simac PHI DATA NV. The financial year under the articles of association of this company was changed to coincide with the calendar year.

Loans to group companies and other participating interests are included under other receivables. If and insofar as group companies or participating interests have negative equity, a provision is made for the aforesaid loans.

If Simac Techniek NV is liable for the debts of a participating interest or intends to make up losses, a provision will be included on the liabilities side insofar as the negative equity of the participating interest exceeds the loan provided by Simac Techniek NV. A list of capital interests is included in note 1 of the explanatory notes to the consolidated financial statements.

Other receivables at year-end 2023 consist of € 7,774 (2022: € 7,774) from receivables from participants and participating interests and € 8,606 (2022: € 5,796) from other interest-bearing receivables. This item includes € 1,619 (2022: € 488) in deferred tax assets.

Amounts in thousands of Euros

## 5. Receivables

	2023	2022
Trade receivables	16	170
Group companies	11,936	6,353
Taxes and social security contributions	1,359	1,028
Other receivables, including prepayments	243	150
	<b>13,554</b>	<b>7,701</b>

Receivables are expected to have terms of less than one year.

Receivables from group companies mainly relate to positions arising from the daily cash sweeps in the (former) financing arrangement with Deutsche Bank AG and/or Rabobank and corporate income tax to be set off within the tax entity.

## 6. Equity

The statement of changes in equity during the financial year is as follows:

	Share capital	Share premium	Statutory reserves	Other reserves	Unappropriated result	Total 2023	Total 2022
<b>Balance as at January 1</b>	<b>3,953</b>	<b>68,660</b>	<b>2,705</b>	<b>-21,430</b>	<b>2,127</b>	<b>56,015</b>	<b>55,138</b>
Result after taxes	-	-	-	-	-1,787	-1,787	2,127
Dividends paid	-	-	-	-	-1,066	-1,066	-1,357
Minority interest	-	-	-	-	-	-	-36
Profit appropriation	-	-	-	1,061	-1,061	-	-
previous financial year	-	-	-	-	-	-	-
Reserve for participating interests	-	-	384	-384	-	-	-
Translation differences	-	-	-142	-	-	-142	143
<b>Balance as at December 31</b>	<b>3,953</b>	<b>68,660</b>	<b>2,947</b>	<b>-20,753</b>	<b>-1,787</b>	<b>53,020</b>	<b>56,015</b>

Amounts in thousands of Euros

The authorized capital amounts to € 9,000, of which € 3,953 is issued and paid up. During the financial year, there were no changes in the issued and paid-up capital.

	<b>Priority shares</b>	<b>Preference shares A</b>	<b>Preference shares B</b>	<b>Ordinary Shares</b>
Authorized capital	500	34,999,750	40	34,999,750
In portfolio	-	-29,999,750	-	-20,468,356
Issued and paid-up capital	500	5,000,000	40	14,531,394
Nominal value per share in Euros	0.10	0.10	50,000.00	0.10

### Share capital

The 40 issued preference shares B were issued at a price of 500%, as a result of which their paid-up share premium is € 8 million in total. Each of the preference shares B represents 500,000 votes in the general meeting of shareholders.

The holders of ordinary and preference shares are entitled to the remaining assets of the company, on the understanding that preference shares share therein to the amount of the nominal value of these shares, plus the share premium paid up on these shares. Preference shares A and B are not entitled to a cumulative dividend. Holders of priority shares do not hold property rights. The extraordinary statutory rights of the priority shares are stated under other information.

### Share premium

The share premium reserve is freely distributable. Upon the issue of preference shares B, € 8 million was paid up in share premium, which amount remains legally allocated to the preference shares and forms the basis for the dividend calculation on these shares, together with the nominal paid-up capital.

### Statutory reserves

The statutory reserves relate to participating interests. These reserves were formed due to restrictions on the payment of dividends and for translation differences arising from the translation of the financial statements of the net investments in foreign activities.

### Unappropriated result

The result after taxes for 2023 is included in the item unappropriated result of equity. The profit appropriation for the 2022 financial year is included in accordance with the decision made in the general meeting of shareholders of April 19, 2023.

Amounts in thousands of Euros

### Proposal profit appropriation

The departure point for the dividend proposal on ordinary shares is that 25% of the profit after deduction of the dividend attributable to preference shares is available for distribution. The board of directors takes into account the expected liquidity, solvency and expected investments in the calculation of the final proposal. Said factors can have a mitigating effect.

Since there will be no profit for the 2023 financial year, the board proposes not to pay out dividends on preference and ordinary shares.

## 7. Provisions

	2023	2022
Restructuring	1,393	1,200
Jubilee benefits	1,270	1,129
Financing obligations	1,000	1,000
Rental liability	1,200	616
Participating interests	106	525
	<b>4,969</b>	<b>4,470</b>

The reorganization relates to redundancy arrangements made.

The majority of Simac's employees in the Netherlands are entitled to jubilee benefits when they reach 12.5, 25 and 40 years of employment. The provision for jubilee benefits is based on an actuarial calculation.

Financing obligations concern a commitment to a participating interest for the provision of a subordinated loan of € 1 million. Rental liability relates to the expected costs of vacancy of a rented property.

## 8. Short-term liabilities

	2023	2022
Credit institutions	4,072	-
Trade creditors	693	704
Group companies	27,633	20,916
Taxes and social security contributions	69	72
Other payables, accruals and deferred income	1,484	1,831
	<b>33,951</b>	<b>23,523</b>

Amounts in thousands of Euros

Debts to group companies mainly relate to positions arising from the daily cash sweeps in the financing arrangement with Deutsche Bank AG and/or Rabobank.

## 9. Remuneration of board directors and supervisory directors

In the financial year, an amount of € 726 (2022: € 623) was charged to the company on account of the remuneration of directors. The remuneration for supervisory directors in the financial year was € 86 (2022: € 79). Supervisory directors receive a fixed remuneration only.

## 10. Rights and obligations not included in the balance sheet

In accordance with Section 403, Title 9, Book 2 of the Netherlands Civil Code, Simac Techniek NV has issued a declaration of joint and several liability for obligations arising from legal acts of Simac IT NL bv. In a number of cases, the company has acted as a guarantor vis-à-vis the supplier by virtue of purchase obligations of operating companies or vis-à-vis the buyer by virtue of obligations to sell (corporate guarantee).

Simac Techniek NV, together with the 100% Dutch subsidiaries, form a tax entity for corporate income and turnover tax purposes. The entities included in the tax entity are jointly and severally liable for the resulting tax liabilities of the tax entity as a whole.

Simac Techniek NV, together with most of its 100% subsidiaries in the Netherlands and Belgium, is affiliated in a credit agreement with Rabobank for the provision of financing facilities. Simac Techniek NV and its affiliated subsidiaries are jointly and severally liable to Rabobank for the obligations under this agreement.

Veldhoven, March 27, 2024

Supervisory board:

**H.P.M. Kivits**  
**N.I.M. Hermans**  
**S.J.M. Roelofs**  
**W. van Winden**

Board of directors:

**M.J. van Schagen**  
**M.F.J.A. van Kasteren**  
**E. van Schagen**  
**I. Frings**

## Other information

### Audit opinion from the independent auditor

To: the shareholders of the supervisory board of Simac Techniek NV.

#### A. Auditor's report for the 2023 financial statements incorporated in the annual report

##### Our opinion

We have audited the 2023 financial statements of Simac Techniek NV in Veldhoven. The financial statements consist of the consolidated and separate financial statements.

In our opinion, the financial statements in this annual report provide a fair picture of the extent and composition of the assets of Simac Techniek NV as at December 31, 2023 and the result for 2023, in accordance with Title 9, Book 2 of the Netherlands Civil Code.

The financial statements consist of:

1. the consolidated and separate balance sheet as at December 31, 2023;
2. the consolidated and separate profit and loss account for 2023; and
3. the explanatory notes with an overview of the accounting principles and other explanations.

##### The basis of our opinion

We have performed the audit in compliance with Dutch law, which also includes the Dutch auditing standards. Our responsibilities pursuant to this are described in the section entitled 'Our responsibilities for the audit of the financial statements'.

We are independent of Simac Techniek NV as required in the Audit Firms (Supervision) Act, the Regulation regarding the Independence of Accountants in the case of Assurance Engagements and other independence rules applicable in the Netherlands relevant to the instruction. We have also complied with the Code of Conduct and Professional Practice for Accountants Regulation (VGBA).

We are of the opinion that the audit information we have received is sufficient and suitable as a basis for our opinion.

#### B. Information supporting our opinion

We have determined our audit activities in the context of the audit of the financial statements as a whole and in forming our opinion thereon. The information below in support of our opinion should be viewed in that context and not as separate opinions or conclusions.

##### Audit strategy for continuity

As explained in the 'Continuity' section on pages 46 and 47 of the financial statements, the board has performed its continuity assessment for the period of 12 months from the date of preparation of the financial statements (March 27, 2024) and has not identified any events or circumstances that may cast significant doubt about the entity's ability to maintain its continuity (hereinafter referred to as continuity risks).

Our work to review the board's continuity assessment includes, among other things:

- Taking note of the risk assessment and analysis efforts of the board with regard to the going-concern assumption;
- Considering whether the board's continuity assessment contains all relevant information of which we have knowledge as a result of our audit;
- Taking note of and assessing the 2024 budget as drawn up by the board;
- Inquire with the board about its knowledge of continuity risks after the period of the continuity assessment performed by the board.

Our audit activities have not revealed any information that conflicts with the board's presumptions and expectations about the applied going concern assumption.

### **Audit strategy for fraud risks**

We have identified and assessed the risks of material misstatement of the financial statements due to fraud and non-compliance with laws and regulations. During our audit, we have obtained an understanding of the entity and its environment, the components of the internal control system, including the risk assessment process and the way in which the board responds to fraud risks and monitors the internal control system and the way in which the supervisory board exercises supervision, as well as the results thereof.

We refer to Chapter 3 'Risk of fraud' and Chapter 4 'Monitoring and reporting' of the Corporate Governance report included in the financial statements, in which the board identifies the main risks and uncertainties and in which it has also included the fraud risks it has identified. We would like to point out that risk management and control systems are present within Simac Techniek N.V. to manage operational and financial risks, including the risk of fraud, although not all components are always assessed and followed up in writing.

Important components of the risk management and control systems of Simac Techniek N.V. are the monitoring and reporting systems referred to in the Corporate Governance report.

We have reviewed the design and existence of the relevant aspects of the internal control system and, in particular, the fraud risk analysis, including the code of conduct and the whistleblowers' scheme. We have reviewed the design and existence of the relevant aspects of the internal control system and, to the extent we consider necessary, tested the effectiveness of internal control measures aimed at mitigating fraud risks. We have communicated significant shortcomings in internal control in writing to the board of directors and the supervisory board.

As part of our process for identifying risks of material misstatement of the financial statements due to fraud, we considered fraud risk factors related to fraudulent financial reporting, misappropriation of assets, bribery and corruption. We evaluated whether these factors indicated the presence of the risk of material misstatement due to fraud.

We build an element of unpredictability into our audit. We also reviewed the outcome of other audit activities and considered whether there are any findings indicating fraud or non-compliance with laws and regulations. We have taken note of the available information and requested information from members of the board and the in-house lawyer.

The fraud risks identified by us and the specific efforts are as follows:

### The risk of the board violating internal control measures

Risk of fraud	Audit activities and observations
<p>The board is in a position to commit fraud, because it is able to manipulate accounting records and prepare fraudulent financial statements by violating internal control measures that otherwise appear to be operating effectively.</p> <p>That is why in all our audits we pay attention to the risk of the board violating internal control measures with regard to:</p> <ul style="list-style-type: none"> <li>• Journal entries and other adjustments made during the preparation of the financial statements;</li> <li>• Estimates and estimation processes;</li> <li>• Significant transactions outside the framework of ordinary business operations.</li> </ul> <p>We pay particular attention to trends as a result of possible interests of the board.</p>	<p>In the planning and execution of our audit activities, efforts included:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design and existence of internal control measures in the processes for generating and processing journal entries, including those relating to consolidation eliminations and consolidation adjustments, and making estimates assuming a risk of violation of that process;</li> <li>• Review of estimated items, particularly with respect to estimates that may be subject to bias on the part of the board;</li> <li>• Paying specific attention to the provisions and reserves formed in the consolidation process, as well as to the project and accounts receivable provisions at operating company level;</li> <li>• Back-testing of the aforesaid provisions and reserves, as part of which the outcomes of estimation processes from previous periods are evaluated based on the actual realization of these estimated items in the current financial year;</li> <li>• Selecting journal entries on the basis of risk criteria and subjecting these to specific audit activities, as part of which we also paid attention to elimination entries in the consolidation and other consolidation adjustments, significant transactions outside the framework of ordinary business operations and non-regular significant transactions in the financial administration.</li> </ul> <p>Our work did not lead to specific indications of fraud or suspicions of fraud with regard to the board violating internal control.</p>



## The risk of fraudulent financial reporting due to under-reporting turnover

Risk of fraud	Audit activities and observations
<p>As indicated in the previous risk, the board is in a position to commit fraud, because it is able to manipulate accounting records and prepare fraudulent financial statements by violating internal control measures that otherwise appear to be operating effectively.</p> <p>The board can also create manual journal entry entries that specifically result in turnover not being fully recognized.</p> <p>In addition, in the case of extensive projects/contracts, turnover can be flattered by improperly influencing the allocation of the contract sum to the separate performance obligations within a contract/project.</p>	<p>In the planning and execution of our audit activities, efforts included:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design and existence of internal control measures with regard to the sales process;</li> <li>• Evaluation of the design and existence of internal control measures in the processes for generating and processing journal entries, including consideration of revenue recognition entries, and making estimates assuming a risk of violation of that process;</li> <li>• Selecting turnover-related journal entries based on risk criteria and subjecting these to specific audit activities.</li> <li>• For extensive contracts/projects involving multiple performance obligations within the agreement, we have checked the correct allocation of the contract sum to the separate performance obligations. We then used underlying documentation to determine whether the separate performance obligations have been achieved and whether revenue recognition has taken place in line with the realization of the agreed performance obligation.</li> </ul> <p>Our work did not lead to specific indications of fraud or suspicions of fraud with regard to revenue recognition.</p>

## The risk of fraudulent financial reporting due to gaps in the payment organization

Risk of fraud	Audit activities and observations
<p>The administrative organization and internal control have not been optimized in all areas within all operating companies and are therefore not always effective. Consequently, there is a risk of unlawful withdrawal of funds via the banking application as a result of unlawful modification of creditor master data. That is why we paid significant attention to this risk.</p>	<p>Within the payment organization of two operating companies, employees can adjust creditor master data and also have the authority to prepare payment proposals. Furthermore, the procedure for approving payment proposals in these cases has been formalized to a limited extent. As a result, we were unable to rely on the internal control system at these operating companies.</p> <p>To avoid the risk of unlawful withdrawals, we carried out the following activities:</p> <ul style="list-style-type: none"> <li>• Based on a download of all purchasing transactions in the financial year, we determined which transactions had only been authorized by an employee. We have determined that the underlying performance for these transactions was achieved. We further established that payment of the corresponding purchase invoice was made to the correct bank account number.</li> <li>• We obtained a download of payments from the financial administration and analyzed whether there were multiple payments of the same amount to the same creditor. Based on underlying source documents, we established that no double payment(s) were made for the same purchase invoice. We further established that the selected payments were made to the correct bank account number.</li> <li>• We have analyzed the export of creditor master data changed during the financial year. For suppliers whose bank account number changed during the financial year and to which payments were made during the financial year, we determined, based on the underlying purchase invoices and bank statements, that the payments were made to the correct bank account number.</li> </ul> <p>Our work has not led to specific indications of fraudulent withdrawals or suspicions thereof.</p>

## C. Auditor's report for other information included in the financial statements

In addition to the financial statements and the audit certificate that accompanies them, the annual report also contains other information, which consists of:

- A general introduction;
- the directors' report;
- the corporate governance report;
- the report from the supervisory board;
- other information;

Based on the activities set out below, we are of the opinion that the other information:

- Is compatible with the financial statements and does not contain any material misstatements;
- Contains all information that is required pursuant to Title 9, Book 2 of the Netherlands Civil Code.

We have read the other information and, on the basis of our knowledge and understanding obtained from the audit of the financial statements or otherwise, have considered if the other information contains material misstatements.

By undertaking our activities, we have met the requirements set out in Title 9, Book 2 of the Netherlands Civil Code and the Dutch Standard 720. These activities do not have the same scope as our audit activities for the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and other data in accordance with Title 9, Book 2 of the Netherlands Civil Code.

## D. Description of responsibilities with regard to the financial statements

### *Responsibilities of the board of directors and the supervisory board with regard to the financial statements*

The board of directors is responsible for the preparation and faithful representation of the financial statements in accordance with Title 9, Book 2 of the Netherlands Civil Code. Within this framework, the board of directors is responsible for achieving such internal control as deemed necessary by the board of directors, in order to enable the preparation of the financial statements without any material misstatements as a result of errors or fraud.

When preparing the financial statements, the board of directors has to consider if the company is able to continue its activities as a going concern. Pursuant to the aforementioned reporting system, the board of directors has to prepare the financial statements on the basis of the going-concern assumption, unless the board of directors intends to liquidate the company or to end its business operations or when termination is the only viable option. The board of directors has to explain facts and circumstances that could raise a reasonable doubt about whether the company can continue its business operations as a going concern in the financial statements.

The supervisory board is responsible for supervising the company's financial reporting process.

### **Our responsibilities for the audit of the financial statements**

Our responsibility is to schedule and execute the audit instruction in such a way that it provides us with sufficient and suitable audit information for our opinion.

Our audit was carried out to a high yet not absolute degree of certainty, which means we may not discover all material errors and fraud during our audit.

Inconsistencies may arise as a result of fraud or errors and they are material if they cannot in all fairness be expected to individually or jointly affect the economic decisions made by users on the basis of the financial statements. The materiality affects the nature, timing and scope of our audit activities and the evaluation of the effect of acknowledged inaccuracies on our opinion.

We have conducted this audit in a professional and critical manner and have applied our professional opinion where relevant, in accordance with Dutch accounting principles, ethical regulations and independence requirements. Among other things, our audit served:

- To identify and assess the risk of the financial statements containing material misstatements as a result of errors or fraud, to determine and carry out audit activities in response to this risk assessment and to obtain audit information that is sufficient and suitable as a basis for our opinion. In the case of fraud, the risk that a material inconsistency is not discovered is greater than in the case of errors. Fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentation or violation of internal control; □ Obtaining an understanding of internal control relevant to the audit with the aim of selecting audit procedures that are appropriate in the circumstances. These activities do not serve to express an opinion on the effectiveness of the company's internal control;
- To evaluate the suitability of the applied audit principles and to evaluate the fairness of estimates made by the board of directors and the corresponding explanatory notes in the financial statements;
- To establish that the going-concern assumption used by the board of directors is acceptable. We also establish, on the basis of the audit information obtained, if there are any facts and circumstances that could lead to a reasonable doubt about whether the company can continue its business operations as a going concern. When we conclude there is a material inconsistency, we are in our audit certificate obliged to draw attention to the relevant related explanatory notes to the financial statements. When the explanatory notes are incorrect, we have to adjust our certificate. Our conclusions are based on the audit information obtained until the date of our audit certificate. Future facts or circumstances may, however, result in the company no longer being able to maintain its going concern;
- To evaluate the performance, structure and content of the financial statements and the explanatory notes included therein; and
- to assess if the financial statements offer a faithful picture of the underlying transactions and facts.

Given our final responsibility for the opinion, we are responsible for the management, supervision and execution of the group audit. Within this framework, we have determined the nature and scope of the activities to be carried out for the group units. The scope and/or the risk profile of the group units or the activities are determining factors in that respect. On that basis, we have selected the

group units for which an audit or assessment of all financial information or specific items was required.

We communicate with the supervisory board about, among other things, the scheduled scope and timing of the audit and about significant findings as a result of our audit, including any significant shortcomings in internal control.

Eindhoven, March 27, 2024

BDO Audit & Assurance B.V.  
on its behalf,

**drs. L.T.A. Parren CPA**

# Statutory regulation regarding profit appropriation

With regard to the profit appropriations, the articles of association stipulate the following:

Article 38, paragraphs 1, 2, 3 and 4

- From the profit, which is apparent from the financial statements adopted by the supervisory board and the general meeting of shareholders, a percentage on preference shares B will be paid out first, which percentage is to be determined by the general meeting of shareholders and which will be more than or equal to zero of the actual amount paid up on those shares (i.e. including the share premium paid up on these) at the start of the financial year for which the payment will be made or on the day on which the cumulative preference shares were subscribed.
- From the profit remaining after application of the above provisions, a percentage will be paid on preference shares A, which percentage is to be determined by the general meeting of shareholders and which will be more than or equal to zero of the amount paid on those shares at the start of the financial year for which the payment will be made or, if the preference shares were subscribed in the course of that financial year, on the day on which the preference shares were subscribed.
- From the remaining profit thereafter, no further distribution can be made on the preference shares.
- The portion of profit remaining after the application of Article 37, paragraph 4, and after the application of paragraph 1 of this article, will be made available to the general meeting of shareholders.
- The general meeting of shareholders is authorized to fully or partially decide against distributing the aforesaid part of the profit.
- Profit distributions are only made insofar as the company's equity is higher than the issued part of the capital, plus the reserves that must be maintained by law.

## Extraordinary statutory rights

### Priority Shares

The 500 priority shares are held by Mr. E. van Schagen, director of Simac Techniek NV.

Prior approval of the priority shareholders is required for the following:

- Share issues
- Reduction of the issued capital
- Transfer of preference shares
- Distributions out of other and share premium reserves
- Distributions in the form of shares
- Interim distributions on shares
- Amendments to the articles of association
- Dissolution of the company

In addition, in consultation with the supervisory board, they decide on the number of members of the board of directors and can convene an extraordinary general meeting of shareholders.