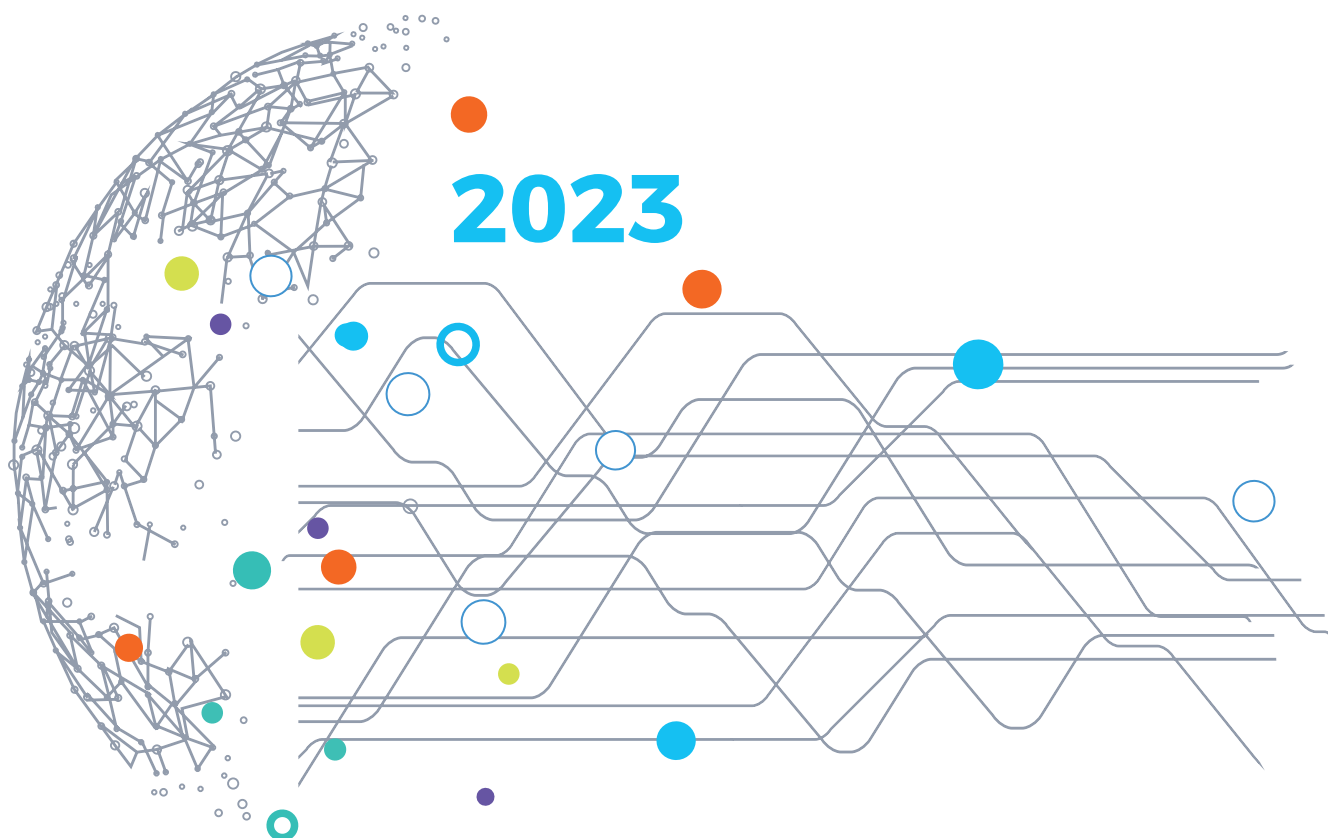


quadient



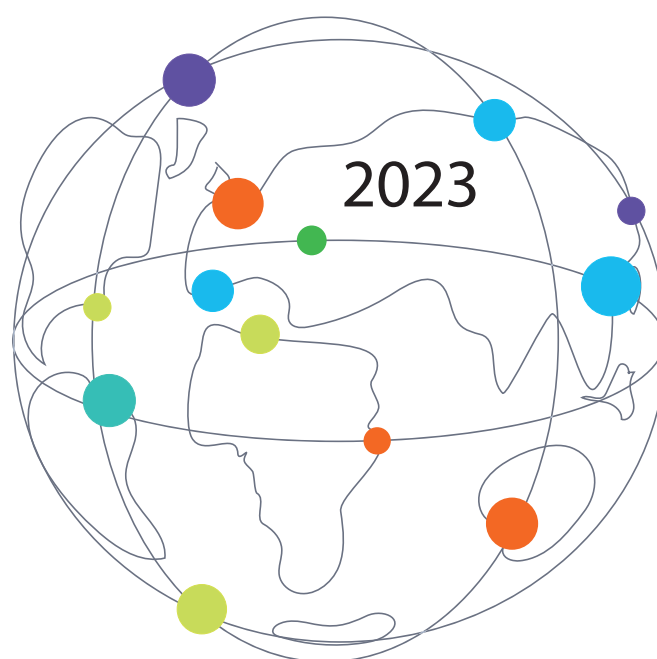
UNIVERSAL REGISTRATION DOCUMENT

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UNIVERSAL REGISTRATION DOCUMENT



The Universal Registration Document was filed on 29 April 2024, with the French financial markets authority as the competent authority in accordance with Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation. The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is accompanied by a simplified prospectus and, where applicable, a summary and all the amendments made to the Universal Registration Document. The entirety thus constituted is approved by the French financial markets authority in accordance with Regulation (EU) 2017/1129.

This English version of the Universal Registration Document in PDF format is a free translation of the official French version of the Universal Registration Document in XHTML format, which is available on the website of the Autorité des marchés financiers, as well as on the Company's website.

This is a translation into English of the universal registration document of the Company issued in French and it is available on the website of the Company (<https://invest.quadient.com/en-US>).

Pursuant to article 19 of regulation (EU) 2017/1129, the following information is included in this universal registration document by reference:

- the consolidated financial statements, annual accounts and statutory auditors' reports may be found on pages 163 to 262 of the universal registration document for the year ending 31 January 2023 filed with the AMF on 27 April 2023 under number D.23-0369 and available on the website of the Company <https://resources.quadient.com/m/475e11a7b4831305/original/2023-URD-2022-Quadient-vUS.pdf>;
- the consolidated financial statements, annual accounts and statutory auditors' reports may be found on pages 153 to 255 of the universal registration document for the year ending 31 January 2022 filed with the AMF on 3 May 2022 under number D.22-0411 and available on the website of the Company <https://labrador.cld.bz/QUADIENT-2021-Universal-Registration-Document>;
- the management reports for 31 January 2023 and 31 January 2022 may be found on pages 75 to 90 and 71 to 84 of registration documents D.23-0369 and D.22-0411.

This version of the URD, posted online on May 2, 2024, contains some changes versus the version posted online on April 30, 2024. The percentages mentioned on the graph "Chief Executive Officer financial year 2024 details of the long term incentive plan" (section 2.3.2.2, page 63) have been amended.

MESSAGE FROM CHAIRMAN



DIDIER LAMOUCHE

CHAIRMAN OF THE BOARD

“WITH SOLID FULL-YEAR 2023 RESULTS AND A RESILIENT BUSINESS MODEL, QUADIENT HAS CLOSED ITS BACK TO GROWTH STRATEGIC PLAN IN A POSITIVE MANNER.”

Dear Shareholders,

Quadient's Back to Growth strategic plan was launched at the beginning of 2019. The vision, at the time, aimed at creating a unified company articulated around 3 business solutions, leaders in their respective markets. Phase I of the plan focused on redefining Quadient's organization towards an integrated business model, leveraging upon the resilience of the legacy Mail activity to fuel the growth of two new, carefully selected, and synergistic, solutions: communication software and parcel lockers. Significant progress was achieved in terms of business model, operational reorganization and portfolio rotation. Phase II, launched in 2021, aimed at restoring organic growth for the Group, both at revenue and operating profit levels. Both objectives were met with Quadient delivering positive organic CAGR at revenue and current EBIT⁽¹⁾ level over the past three years. A solid performance validating the bold choices made at the start of the plan and supported by the successful turnaround operated in a short period of time. These last few years have been particularly intense in terms of developments and changes for Quadient, and I would like to thank, on behalf of the whole Board, our teams for their unwavering efforts and great enthusiasm. I would also like to thank our existing or more recently acquired customers for putting their trust in Quadient.

The Management team and the Board have also remained particularly attentive to placing the ESG goals at the heart of Quadient's transformation, aligning the ESG targets with the corporate strategy. This engagement was reflected by Quadient's signature, in March 2021, of the UN Global Compact, committing to support 8 of the 17 United Nations Sustainable Development Goals and more specifically to respect and promote the 10 Principles of the Global Compact on Human Rights, labor, environment and anti-corruption within its sphere of influence. Looking at the ESG achievements over the plan period, I am proud to highlight, among other things, the positive execution against challenging targets such as exceeding a 50% share of remanufactured products or increasing the representation of women among managers to at least 30%.

⁽¹⁾ Current operating income before acquisition-related expenses.

Finally, on behalf of the Board, I would like to thank all our Shareholders for their support. Throughout the plan, particular attention has been given to achieving our strategic goals within the settings of a clear capital allocation policy, carefully balancing investments in the business, reduction in debt level and growing returns to shareholders. I am pleased with the dividend trajectory we have been able to deliver over the past three years, with a 9% average annual increase. The Board has also maintained its best-in-class approach to governance practices. An open and as-direct-as-possible dialogue with shareholders has remained a priority, notably through our, now institutionalized, annual governance roadshow. Finally, in 2023, we had the pleasure of welcoming two large new shareholders, Bpifrance Participations and Vesa Equity Investments. We signed, mid-2023, a governance agreement with Bpifrance Participations, which led to its co-option to the Board in March 2024 (subject to the vote of the General Meeting on 14 June 2024).

Recent history has shown that, companies, as well as individuals, have had to learn to navigate through unsettled times and to cope with unpredictability. The Back to Growth strategic plan has proven to be the right answer to this challenging environment thanks to a clear focus on growing the recurring business model. This was done through the transition from on-premise licenses to a SaaS business model for our Software activity, innovation to drive a resilient performance in Mail and the deployment of open networks of parcel lockers.

Finally, the Board did not sit idle either and constant attention was drawn to including additional skills to the existing mix to continuously support Quadient's strategy, for the benefit of all our Stakeholders. The Board and the Management team are therefore confident that Quadient is in a strong position to enter the next phase of its development.

Respectfully yours,

DIDIER LAMOUCHE

THREE QUESTIONS TO THE CHIEF EXECUTIVE OFFICER



GEOFFREY GODET

CHIEF EXECUTIVE OFFICER

“THE BACK TO GROWTH STRATEGIC PLAN HAS POSITIONED QUADIENT ON A LONG-TERM SUSTAINABLE AND PROFITABLE GROWTH PATH.”

What were the highlights of Quadient's 2023 results?

2023 has been quite a fruitful year for Quadient as we have reached some significant milestones. From a business standpoint, we have launched the Quadient Hub, providing our customers with an integrated cloud platform and a single-entry point to our entire suite of solutions. 4,000 customers have already been onboarded and improvements have kept on being added throughout the year, with new AI capabilities and new functionalities such as iForms, following the acquisition of Daylight in September. The deployment of our open networks of lockers in France and in the UK is also progressing well with important deals being signed to secure prime locations but also with international carriers, Royal Mail being the latest carrier to join our UK open network. In Japan, we have renegotiated our joint venture with Yamato to extend its terms and signed a new commercial agreement based on a fee per parcel to reflect our focus on improving the return of our lockers. Finally, our Mail business has delivered another solid performance, outperforming the competition year after year.

From a financial standpoint, revenue reached €1.1 billion, a 1.9% organic increase. More importantly, the subscription-related revenue was up 3.4%, now representing 70% of total revenue. With the strategic plan aiming at driving sustainable value, the full-year 2023 was the year when this value materialized in solid organic current EBIT⁽¹⁾ growth. At €157 million, current EBIT⁽¹⁾ grew by 9.3% organically, driven by the solid contributions from both our Software solution, which came back to profitability after its transition from license to SaaS, and our Parcel Locker Solutions with the reduction in current EBIT⁽¹⁾ loss. Our Mail Solution operating profitability remained attractive with a high 24.3% current EBIT⁽¹⁾ margin. Our Back to

Growth strategic plan has now reached maturity and the integrated strategy that has been implemented over the past few years is delivering on its promises.

What are the main achievements of the Back to Growth strategic plan?

The Back to Growth strategic plan has positioned Quadient on a long-term sustainable and profitable growth path. We have executed quite a significant portfolio rotation to establish Quadient as an innovative B-to-B subscription platform combining a comprehensive connected hardware and software suite of services to power billions of business transactions every day. This offering has also been adapted to serve the needs of all types of customers from small and mid-sized businesses to large enterprises, and now supports nearly half a million customers worldwide across multiple industries. Importantly, this re-positioning has been done with strict financial discipline allowing Quadient to reduce its leverage to 1.65x excluding leasing at the end of the plan, exceeding its initial 1.75x target.

What is your outlook for 2024?

We expect further organic growth both at the revenue and current EBIT⁽¹⁾ level, driven by the positive developments in our Software business, rising deployment of lockers and still resilient mail equipment placements. We will continue to focus on maintaining a balance between improving our organization, fostering synergies between our three Solutions and maintaining tight control of our costs, while investing in go-to-market and R&D to support future growth. Additional details for 2024 and our new 2024-2026 strategic plan will be unveiled at a Capital Markets Day on 19 June 2024 in Paris.

(1) Current operating income before acquisition-related expenses.

PROFIL & ACTIVITIES

Quadient helps companies to simply and efficiently create meaningful and personalized interactions with their customers and other key stakeholders.

Behind every customer interaction, there is always something meaningful, whether the interaction involves mailing a contract, confirming a reservation *via* text message, receiving a parcel, paying a bill, or communicating through a mobile or web app.

Quadient aspires to be a leader in each of its key areas of business.



⁽¹⁾ In the main geographical areas where Quadient is present.

Countries
where
Quadient's
products are
distributed:
c. 80

Employees
4,721

Revenue:
€1.06 billion

Sales
€245 million
+9.0%⁽²⁾

INTELLIGENT COMMUNICATION AUTOMATION

An intelligent set of integrated cloud platform to automate critical business communications and processes, be more efficient, reduce costs, drive better customer experience and high level of engagement from internal and external constituents.

- A true end-to-end cloud-based global business communications platform to manage over a billion customer-facing communications and critical business interactions each and every day;
- Supporting businesses in all aspects of customer communication and financial automation.



Sales
€729 million
-0.2%⁽²⁾

MAIL-RELATED SOLUTIONS

Extensive line of hardware and software for preparing and sending mail (franking systems and folders/inserters suitable for both low and high volumes):

- Mail processing remains a large market despite the structural decline in letter volumes;
- A market with high barriers to entry;
- North America, where Quadient has 20% market share, represents more than 50% of the global market.

PARCEL LOCKER SOLUTIONS

This solution consists in a cloud platform connected with a parcel locker network which automates the tracking of parcel drop-off and pick-up, helps optimize the management of last-mile parcel delivery and simplifies parcel retrieval and return, whether that happens in public places, at retailers' sites or at residences.

- The only proven automated solution as of today, offering customers a convenient, reliable, secure and contactless way to retrieve and return their packages;
- A fast-growing, multi-local market suited to the rapid increase in the number of parcels resulting from e-commerce;
- Network of over 20,200 lockers as at 31 January 2024.

Sales
€88 million
+1.6%⁽²⁾



⁽²⁾ Organic growth compared to FY 2022.

“BACK TO GROWTH” STRATEGY



Initiated early 2019, the “Back to Growth” strategy aimed at transforming Quadient to become a unified Company, while refocusing its business portfolio on synergistic smart hardware and software solutions with high growth potential and market leading positions.

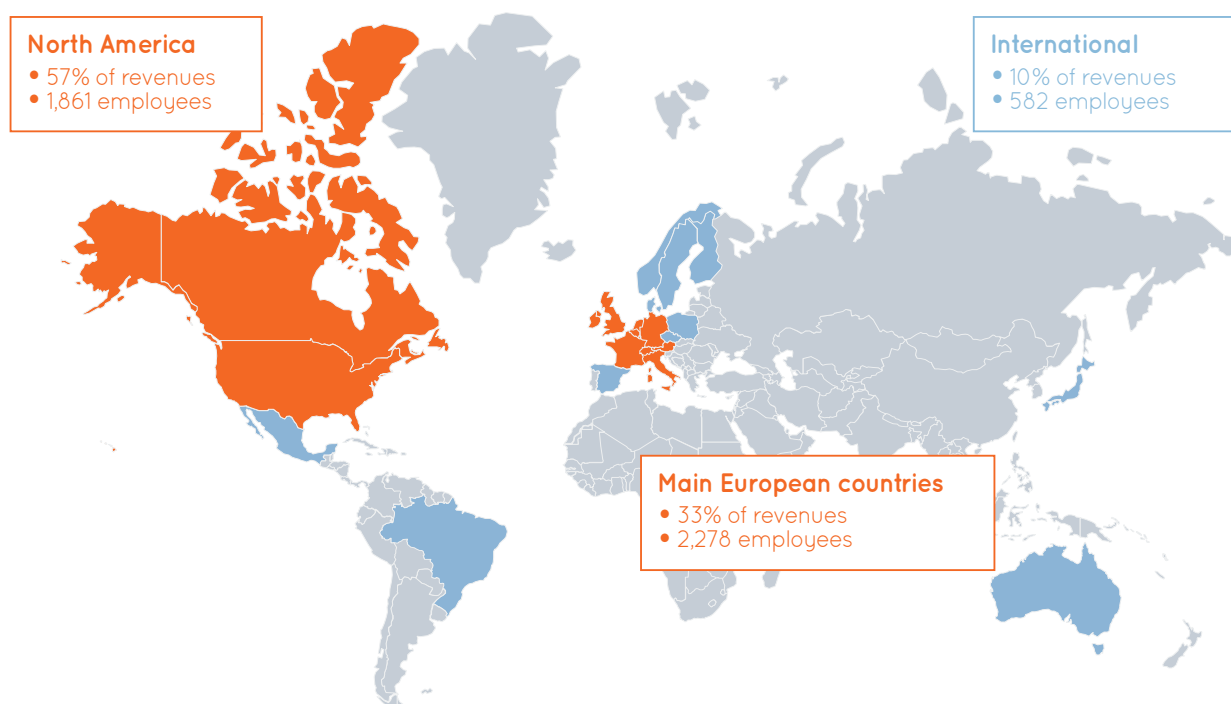
In March 2021, Quadient announced the phase two of “Back to Growth”, which came to an end with the release of the full-year 2023 results.

This second phase of the strategy saw the completion of the asset rotation program, while establishing leading market positions in two key segments: cloud software for intelligent Communication Automation and parcel delivery

automation. The development of these new activities was accompanied by an integrated strategy to drive cost and revenue synergies between the Company’s three Solutions, while continuing to benefit from Quadient’s strong position in the highly profitable and cash generative mail-related business. From a business model point of view, subscription-related revenue were favored to ensure recurring and predictable sales.

Organic growth, technological innovations as well as state-of-the-art solutions have been key pillars for the last three years, as have the Group’s CSR commitments which have been an integral part of the Back to Growth strategy.

		BOLT-ON ACQUISITIONS	DIVESTMENTS
PHASE I	2019	PARCEL LOCKER SOLUTIONS IN THE US	● Data Quality Satori Software Simply Powerful Human Inference
	2020	YayPay Accounts Receivable (AR) automation solutions	● Shipping Software temando (Shut down) ProShip
	2021	Beanworks Accounts Payable (AP) automation solutions	● Graphics business in Australia ● Drachten factory and packaging system
PHASE II	2022		● Graphics activities in the Nordic countries ● Shipping activities in France
	2023	Daylight ICA Software: iForms	
		c.€200-205m cash-out to date	c.€110-115m cash-in to date



The results of the “Back to Growth” strategic plan are solid with a new organization now well established around a simplified and efficient operating model. Following the end of its divestment program in 2022, the Company's financial reporting has also evolved and is now organized on the basis of the three Solutions as reporting segments

These three Solutions all delivered significant progress during Phase II of the strategic plan, notably for Intelligent Communication Automation, with the release of the “Quadient Hub”, a unified cloud platform which offers a single-entry point to all Quadient software solutions.

In addition, the Software business model shift from licensing to SaaS is now almost complete, with nearly 82% of customers now in subscription mode.

The Mail business has had three successful years with very good results in terms of product placements, outperforming its market.

Finally, Parcel Locker Solutions business model evolved over the course of the plan, in particular with the scaling of open networks in England and in France, drawing on the experience acquired in Japan.

Intelligent Communication Automation

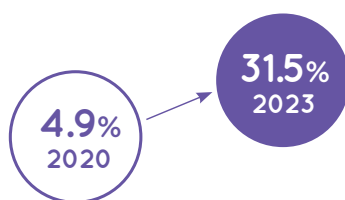


Quadient Hub: Quadient's new integrated SaaS platform released in 2023



Solid increase of the share of subscription-related revenue
 As a % of total revenue

Mail-Related Solutions



Share of upgraded installed base

+0.6%

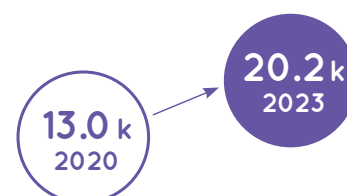
organic revenue growth
 2021-2023 CAGR

Innovation as a driver of product placement

Parcel Locker Solutions



Open-network model attracting large international carriers



+55% growth in numbers of lockers

BUSINESS MODEL

INDUSTRY TRENDS

Digitalization,
a major catalyst in the change of customer
communications and financial automation

STRENGTHS

An integrated company

- Integrated organizational structure and a representative brand for all activities. Tagline: “Because connections matter”
- Focus on three solutions in **key** geographic regions: **North America / Main European Countries / International**
- Direct or indirect distribution network covering **c.80** countries

A strong financial structure

- Robust liquidity position: **€118 million** in cash and **€300 million** of undrawn credit line as of 31 January 2024
- Debt backed by future cash flows from rental operations and leasing portfolio (**€709 million** net debt)
- Leverage excluding leasing: **1.65x** EBITDA⁽¹⁾

(1) Net debt excluding leasing/ EBITDA excluding leasing.

AN INSTALLED BASE BUSINESS MODEL, SHARED BY ALL THREE SOLUTIONS

	MAIL-RELATED SOLUTIONS	PARCEL LOCKER SOLUTIONS
Subscription-related revenue	• Subscription: Rental/leasing Support/maintenance	
	• Supplies subscription (<i>Ink & spare parts due to machine usage & processed mail volumes</i>) • Subscription	• Subscription/usage (<i>based on usage rate in certain cases</i>)
Revenue not related to subscriptions	• Equipment sales (<i>Acquisition of new customers, or upsell from the installed base</i>)	
		• Installation services
Customers	• Small and medium-sized enterprises • Large accounts	• Residential • Universities & Corporates • Retailers • Carriers

VALUE CREATION

CUSTOMERS

- Circular economy: **63%** of hardware marketed are produced through a remanufacturing process
- **94%** customer satisfaction rate



PEOPLE

- **€451 million** paid in employee wages, bonuses, commissions and payroll charges
- **94.4%** of permanent contracts to support local jobs
- **34.8%** of women in the Company
- **31.8%** of managers are women



SUPPLIERS

- **€75.4 million** in production purchases
- **1,370+** screenings and due diligence reports processed on third parties



Despite its structural decline,
**the mail market remains
large and resilient**

**Management of last-mile
parcel delivery**, a priority given
the **high volumes of parcels**

A culture of R&D and innovation

- **5.9%** of sales dedicated to R&D
- More than **550** engineers
- **6** R&D centers
- A team dedicated to digital innovation

Expert teams

- **4,721** full-time equivalent (FTE) employees
- Diverse backgrounds: expertise, origins, skills, cultures, outlooks
- **91.8%** of employees completed a training session in 2023.

High-performing industrial assets

- **2** production centers
- **3** logistics centers
- **100%** of industrial sites are certified ISO 14001 and ISO 45001

INTELLIGENT COMMUNICATION AUTOMATION

- **Subscription (SaaS)** (*installed base*)
- **Volume** (*customers usage of the platform*)
- **Maintenance** (*installed base / charging for maintenance services*)
- **License sales** (*acquisition of new customers, or upsell from the installed base*)
- **Professional services** (*invoiced on a time spent basis*)
- Large accounts
- Segment of largest small and medium-sized enterprises
- Mail-Related Solutions direct sales channel #1 partner of ICA

2023 RESULTS

- **SALES: €1.06BN**
- **SUBSCRIPTION-RELATED REVENUE: 70%**
- **AN INTERNATIONAL COMPANY:**
 - NORTH AMERICA: **57%**
 - MAIN EUROPEAN COUNTRIES: **33%**
 - INTERNATIONAL: **10%**
- **CURRENT EBIT⁽²⁾: €157M**

⁽²⁾ Before acquisitions-related expenses.

2021-2023 FINANCIAL AMBITIONS

- **CF PAGE 14**

2021-2023 NON-FINANCIAL OBJECTIVES

- **CF PAGE 10**

LOCAL COMMUNITIES AND CHARITIES

- **100+** charities supported
- More than **€310,520** of donations raised



STATES AND REGIONS

- **€21.1 million** in taxes
- **20.6%** reduction in CO₂ emissions compared to 2018 (scopes 1, 2 and 3)
- **92.0%** of industrial waste recycled



SHAREHOLDERS

- A **€0.60** dividend per share has been paid for fiscal year 2022, a **9%** increase compared to the previous fiscal year

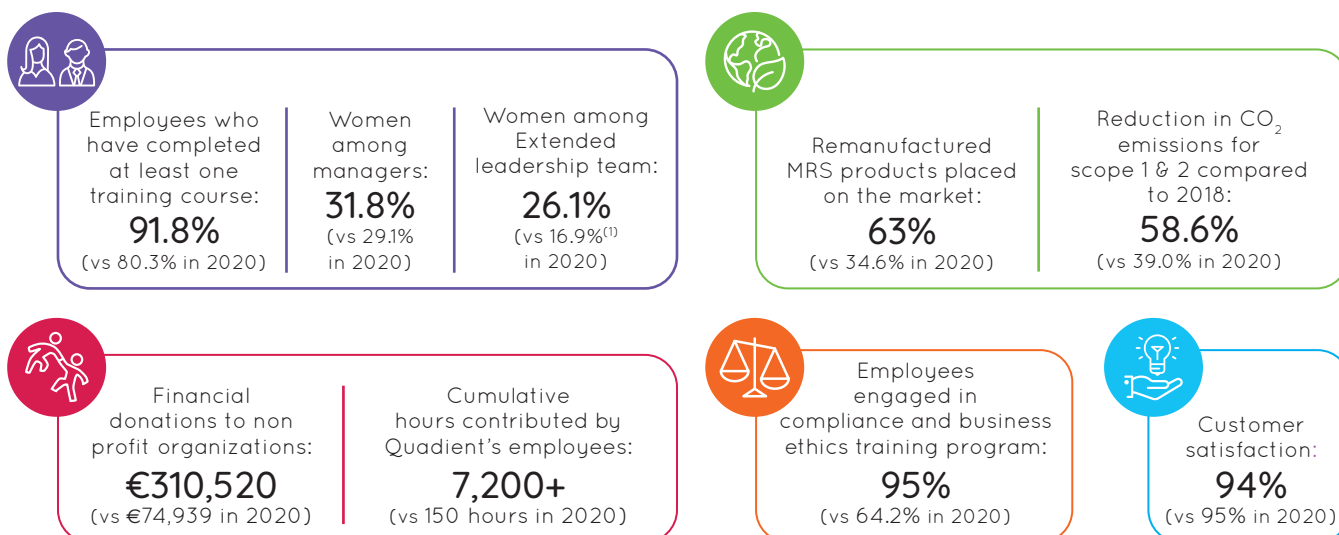


QUADIENT, A RESPONSIBLE COMPANY

By joining the UN Global Compact in 2021, Quadient had further asserted its commitment to respecting, supporting and promoting the 10 principles of the Global Compact charter on Human Rights, labor practices, the environment, and the fight against corruption within its sphere of influence.

The same year, the Company has launched a new CSR roadmap for the 2021-2023 period, founded on five strategic pillars that align closely with its operations and strategic vision. The results and key achievements of this roadmap are detailed below.

Key Results



See more: all 2023 results are presented in chapter 5.

A strategy recognized by non-financial rating agencies

	MSCI	ecovadis	CDP	ISS ESG	MOODY'S ANALYTICS	SUSTAINALYTICS
2020	AA	Gold (69/100)	B	C+, « Prime » status	54 %	/
2023	AA	Platinum (79/100)	B	B-, « Prime » status	52 %	6.6 (Negligible ESG risk)
Evolution	=	↗	=	↗	=	↗

⁽¹⁾ In 2020, the scope included Senior Leaders

Our 5 CSR pillars, challenges and objectives



Empowering Quadient's people to achieve Company's strategy

- > 80% of employees eligible to remote working 2 days or more per week.
- > 30% of women among managers.
- > 30% of women among Senior Leaders.



Enabling a culture of excellence and integrity

- > 95% employees endorsed the code of ethics.
- > 95% employees engaged in compliance and business ethics training program.
- > 95% strategic business partners have endorsed the code of conduct for business partners.



Reduce Quadient's environment footprint

Objectifs

- Reduce CO₂ emissions by 50.4%, for scope 1 & 2 between 2018 and 2030.
- Reduce CO₂ emissions by 40%/€m revenue for targeted categories, for scope 3 between 2018 and 2030.
- Mail-Related solutions (MRS) equipment remanufacturing to account for more than 50% of MRS products placed on the market.



Build the best customer experience by offering innovative, reliable, and sustainable solutions

- Achieve overall customer satisfaction above 95%.
- Pursue investments in R&D above 4.5% of consolidated revenues.



Engage and support the communities

- 5,000+ annual hours contributed by Quadient's employees supporting communities.
- >€100,000 of financial donations to Non-Profit Organizations. 25% of employees engaged and involved in volunteering & sponsorship projects (contribution rate).

2021-2023 Main achievements

Dedicated diversity, equality & inclusion program, with dedicated investments and programs.

Work from Anywhere program continues to bring greater resources to employee flexibility and hybrid work.

Launch of the Learning Hub, the digital educational platform.

Creation of an emergency fund to support the employees impacted by hardship.

Creation of a dedicated compliance department.

Enhanced risk management (global risks, corruption risks, competition risks mappings updated).

Annual compliance training program on ethics, anti-corruption, privacy, information security, inclusion, health & safety and harassment.

3,300+ due diligence reports processed.

GHG⁽¹⁾ reduction targets set for scope 1, 2 and 3 in line with SBTi methodology.

Definition and deployment of the first Quadient's low carbon strategy.

Introduction of GHG⁽¹⁾ reduction criteria for long-term incentive plans and sustainably-linked loans.

ISO 14001 certification renewal for all industrial sites.

Maintained a high customer satisfaction rate, over 94%.

Implemented eco-design for hardware and partnered with eco-friendly cloud services to reduce environmental impact.

Significant increase in remanufactured MRS products placed on market during the period, with expansion into the US market.

Launch of the Quadient Cares philanthropy program, supporting three main causes: inclusion & diversity, education, and the environment, with three main annual events.

7,202 hours of volunteering, giving back to communities.

Corporate partnerships established with Surfrider Foundation and SOS children village.



● See more: section 5.1.3



● See more: section 5.1.4



● See more: section 5.1.5



● See more: section 5.1.6



● See more: section 5.1.7

(1) GHG : Greenhouse Gas

A LARGELY INDEPENDENT, BOARD OF DIRECTORS



DIDIER LAMOUCHE
Chairman
of the Board

The Board of Directors has 12 members, who provide their international expertise notably in the fields of digital, e-commerce, new technology and corporate governance.

The Board has approval power over Quadient's strategic guidelines and decisions, and checks the proper execution of the strategy, including new project launches, investments, divestments and acquisitions.



GEOFFREY GODET
Chief Executive Officer

8 Meetings — **96.9%** Average attendance — **70%** Independence of directors⁽¹⁾ — **40%** Women⁽¹⁾



MARTHA BEJAR
Since June 2019



HÉLÈNE BOULET-SUPAU
Since June 2017



Bpifrance Investissement
represented by
EMMANUEL BLOT
Since March 2024



VALÉRIE COLIN
Employee representative director
Since August 2023



ÉRIC COURTEILLE
Since July 2012



PAULA FELSTEAD
Since September 2021



CHRISTOPHE LIAUDON
Employee representative director
Since August 2019



VINCENT MERCIER
Since July 2009



RICHARD TROKSA
Since July 2016



NATHALIE WRIGHT
Since June 2017

● Audit committee ● Strategy and environmental, social and governance committee ● Appointments and remuneration committee ★ Chairman of a committee

MAPPING OF THE BOARD'S EXPERTISE⁽²⁾



Data as of the publication date of this Universal Registration Document, with the exception of the number of meetings and average attendance (data as of 31/01/2024).

⁽¹⁾ In accordance with French law and the AFEP-MEDEF Code, employee representative directors are not counted when determining the percentage of Independent directors or the proportion of women on the Board of directors.

⁽²⁾ The employee representative directors are not included in the skills matrix.

AN INTERNATIONAL MANAGEMENT TEAM



GEOFFREY GODET
Chief Executive Officer

The management team is composed of the leaders from each support function, along with the business leaders within each solution and each operation by geographic region.

During the fiscal year 2023, Quadient continued the evolution of its management team as part of the streamlining of its organisation. The Group now relies on more international and specialized profiles.

SUPPORT FUNCTIONS



BRANDON BATT
Transformation and People



LAURENT DU PASSAGE
Finance



STEVE RAKOCZY
Digital



PETRA WOLF
Marketing

SOLUTIONS



CHRIS HARTIGAN
Intelligent Communication Automation



ALAIN FAIRISE
Mail-Related Solutions



BENOÎT BERSON
Parcel Locker Solutions

OPERATIONS



STÉPHANIE AUCHABIE
France and Benelux



DUNCAN GROOM
United Kingdom and Ireland



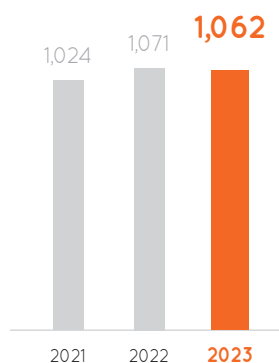
IAN CLARKE
Central Europe & International

FINANCIAL PERFORMANCE

INCOME STATEMENT

SALES

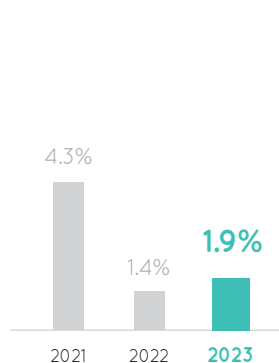
(in million euros)



In 2023, subscription-related revenue represented 70% of total revenue

ORGANIC CHANGE⁽¹⁾

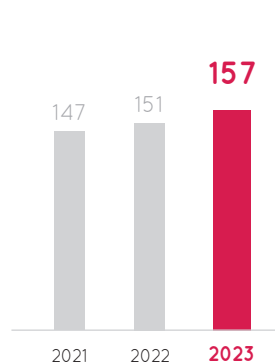
(annual growth rate)



In 2023, organic growth was fueled by subscription-related revenue organic increase that reached +3.4%.

CURRENT EBIT⁽²⁾

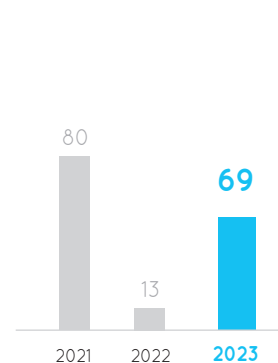
(in million euros)



Current EBIT⁽²⁾ recorded accelerated organic growth, delivering on Quadient strategic choices

NET INCOME

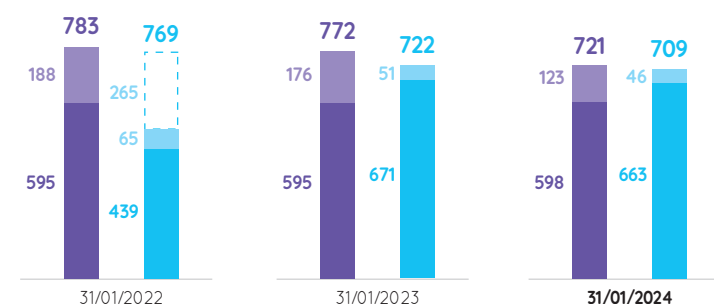
(in million euros)



Net attributable results reached €69 million in 2023. Earnings per share stood at €2.02 in 2023.

FINANCIAL STRUCTURE

(in million euros)



Net debt continued to decrease, from €722 million at 31 January 2023 to €709 million. Between October 2023 and January 2024, Quadient redeemed part of its bond maturing in 2025 for €57 million. The Group's financial ratio excluding the leasing portfolio⁽³⁾ stands at 1.65x EBITDA, exceeding the target of 1.75x set in 2021.

- Future cash flow from customer rental operations
- Customer leasing portfolio
- ODIRNANE
- IFRS 16 impact
- Net financial debt excluding IFRS 16 impact

FINANCIAL AMBITIONS FOR 2021-2023

Ambition for revenue:

Minimum 2.5% organic CAGR
(Revised in November 2023)

Achieved:

+2.5% organic CAGR over the 2021-2023 period

Ambition for current EBIT⁽²⁾

Minimum mid-single digit organic CAGR
(Set in March 2021)

Achieved:

+3.3% organic CAGR⁽⁴⁾ over the 2021-2023 period

Ambition for leverage

Financial leverage excluding leasing at 1.75x at the end of FY 2023 (Set in March 2021)

Achieved:

1.65x at the end of FY 2023

2022 figures restated to reflect Mail-Related Solutions Italian subsidiary being reclassified as discontinued operations in 2023 (as per IFRS 5).

⁽¹⁾ Change excluding foreign exchange and scope effects.

⁽²⁾ Before acquisition-related expenses.

⁽³⁾ Net debt excluding leasing / EBITDA excluding leasing.

⁽⁴⁾ Based on 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal, i.e. €145 million, with a scope effect resulting in a €140 million proforma.

INVESTOR RELATIONS

2024 financial agenda

Q1 2024 sales: **27 May 2024***

Annual General Meeting: **14 June 2024**

Capital Markets Day : **19 June 2024**

Q2 2024 sales and first half-year 2024 results:

23 September 2024*

Q3 2024 sales: **27 November 2024***

(*) Publication after the close of trading on the Euronext Paris stock exchange.

Listing information quadient

Listing: **Euronext Paris**

Market: **Compartiment B**

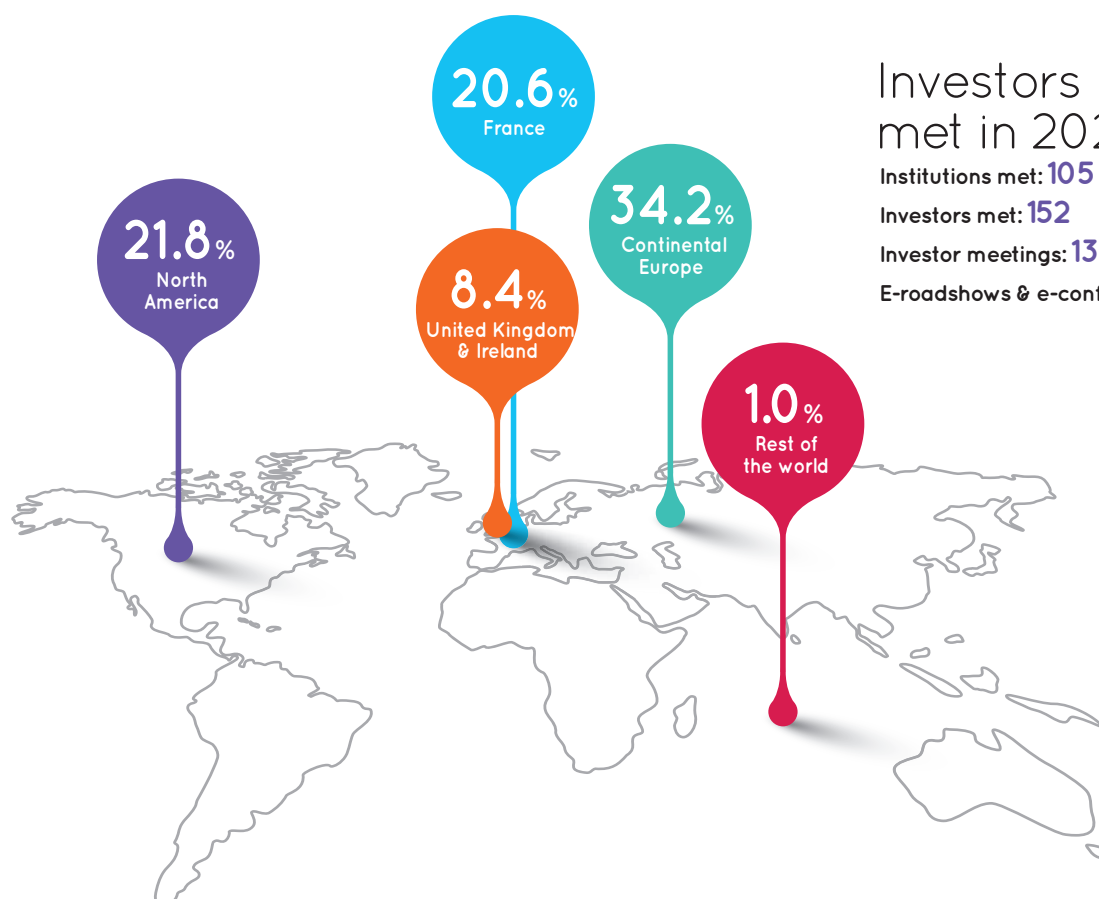
ISIN Code: **FR0000120560**

Ticker: **QDT**

Indice: **CAC® Mid & Small et EnterNext® Tech 40**

Quadient shares **are eligible for PEA-PME investing.**

GEOGRAPHIC DISTRIBUTION OF THE CAPITAL OF THE COMPANY⁽¹⁾



Investors met in 2023

Institutions met: **105**

Investors met: **152**

Investor meetings: **133**

E-roadshows & e-conferences: **16**

(1) Based on institutional ownership.



CORPORATE OVERVIEW

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- 1.1.1 Intelligent Communication Automation
- 1.1.2 Mail-Related Solutions
- 1.1.3 Parcel Locker Solutions

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1.1 Activities

Quadient helps simplify the connection between people and what matters. The Company supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence.

Since the beginning of the Back to Growth strategic plan in 2019, Quadient has focused its development on two growth drivers:

- the digitalization of business processes and customer communications, and
- the growth in e-commerce, which has led to increased logistic flows for the delivery and returns of parcels.

Quadient businesses bring customers technologically advanced automation solutions for a wide range of use cases. Solutions that have been made all the more relevant by the current more complex macro environment, which is increasing the pressure on businesses forcing them to prioritize innovation, tight financial control and process streamlining. All areas where digital technology brings its full value.

Through targeted investments, both externally and organically, and in-depth transformation work to fundamentally simplify and streamline its operations,

Quadient is now a major player in helping companies achieve digital transformation and simplify their customer communication processes, building upon a solid, sustainable and profitable business model.

Quadient supports more than 400,000 small, medium and large businesses in 27 countries with a comprehensive connected hardware and software platform that facilitates billions of transactions every day, from invoicing and customer communications to multichannel mail processing, last-mile parcel delivery and the consolidation of their return.

The Company is committed to responsible and sustainable growth by eco-designing its products, collecting and recycling equipment, as well as monitoring and minimizing the carbon footprint of its operations and solutions, which makes it a valuable partner for businesses committed to growth as well as environmental impact.

Quadient serves its customers and the community by focusing on three key Solutions:

- Intelligent Communication Automation (ICA),
- Mail-Related Solutions (MRS), and
- Parcel Locker Solutions (PLS).

1.1.1 INTELLIGENT COMMUNICATION AUTOMATION

Communications and interactions are at the heart of every successful customer relationship, and businesses now need to ensure these interactions are personalized and delivered at scale. In an ever more challenging macroeconomic environment, organizations need intelligent solutions that make it simple to empower remote employees to connect where, when, and in the way their customers want. Automating critical customer communications and business processes not only saves time and money, but doing it with an intelligent set of integrated technologies helps drive better customer experience and a high level of engagement from all internal and external constituents.

For businesses of all sizes who need to digitize and automate their business-critical communication activities, Quadient provides world-class integrated cloud-based solutions through a true end-to-end SaaS⁽¹⁾ global business communications platform under the name of Intelligent Communication Automation. More than 15,000 companies globally rely on Quadient's Intelligent Communication Automation SaaS solutions to manage over a billion customer-facing communications and critical business interactions every day.

Quadient's ICA cloud solutions help organizations enable remote workforces to create and deliver meaningful

customer interactions, automate business-critical workflows to save time and money, as well as to differentiate from competitors by delivering a better overall customer experience. These solutions support businesses in customer communications management (CCM) and customer experience management (CXM), including journey analytics and orchestration, as well as intelligent forms (iForms), accounts receivable (AR) and accounts payable (AP) automation.

For businesses who must compete by creating exceptional customer experiences, Quadient provides omnichannel software solutions and expertise that deliver compliant and meaningful customer interactions.

These solutions enable companies to design, coordinate and harmonize all of their customer communications across various departments (sales, marketing, support, accounting, etc.), while adapting to each department's specific needs. The Quadient Inspire SaaS suite facilitates the creation and management of transactional and marketing communication documents, regardless of the medium and the channel used (physical mail, e-mail, fax, text messages, websites, social networks, etc.) and manages omnichannel delivery for these communications.

¹⁾ Software as a Service.

For businesses who want to streamline document production processes and departmental workflows, Quadient's ICA solutions help automate invoice-related communications and accelerate cash flows. The digitalization of business processes is at the heart of many organizations plan to ensure business continuity and cost optimization programs, particularly in the field of invoicing flows and financial automation (Accounts Receivable/Accounts Payable), driven by regulations accelerating the adoption of new digital and compliant processes such as e-invoicing. It is also a key enabler of delivering a better experience for all their stakeholders: customers, partners, suppliers and employees alike.

Quadient's ICA solutions are marketed and delivered primarily as a cloud-based SaaS model, with a legacy on-premise offering. Quadient also relies on a large network of partners to expand its footprint, integrate with other technologies or deliver specific solutions such as hybrid mail solutions.

In 2023, Quadient launched the "Quadient Hub", an integrated cloud platform, offering customers a single entry point to its entire suite of SaaS solutions. Over 4,000 customers have already been onboarded to the platform, which offers significant opportunities to Quadient for up-selling additional modules to existing customers. The platform benefited from continuous improvements throughout the year, including increased AI capabilities and new functionalities such as iForms, following the acquisition of Daylight in September 2023.

1.1.2 MAIL-RELATED SOLUTIONS

Mail-Related Solutions encompasses the historical business of Quadient. Quadient supplies software, equipment, and services to cover the entire process of managing incoming and outgoing mail. It provides expertise and training in organizing mailrooms and mailing processes, according to each customer's business and operations requirements.

Throughout the recent years, Quadient continued to invest in Mail-Related Solutions to remain at the cutting edge of the technology with new upgraded machines offering enriched features and connected services.

Quadient offers a competitive range of folders/inserters for the office, mailroom, and mail center segments. These systems, supplemented with intelligent software to interface with databases, make it possible to publish, prepare for insertion, combine, and route documents such as payslips, invoices and marketing mail. Quadient also offers ongoing maintenance on these systems to ensure business continuity for customers. Since these systems are connected, the maintenance can be performed remotely. Quadient is considered to be one of the world's leading manufacturer of folders/inserters for offices and mailrooms.

Quadient also offers mailing solutions which combine franking machines, franking management software solutions, accessories like postal scales, ink cartridges and other supplies to operate them. On top of the maintenance of its equipment, which may be done remotely, Quadient offers services for the update of postal tariffs.

Market

Based on data from research firms and internal analyses, the ICA market is estimated to be worth around 6 billion euros in revenue, growing at more than 10% per year, driven by the digital transformation of companies, the continued focus on improving the customer experience, and regulatory changes such as the upcoming mandatory e-invoicing law in France, impacting also international companies doing business in the country.

Quadient software solutions remain consistently recognized as leaders in CCM, CXM, AR and AP markets, notably by IDC but also by customers and research firms such as Gartner, Forrester and Aspire.

Customers

Customers relying on Quadient's ICA solutions include the higher range of small and medium-sized businesses, large enterprises, primarily in the financial services, insurance and healthcare industries, as well as Print Service Providers. Around 70% of ICA customers came from cross-selling opportunities with Quadient's MRS customer base and, in 2023, 82% were SaaS customers.

Furthermore, Quadient markets customized financing solutions for all equipment and services it sells, as well as long-term rentals in countries where regulation makes it mandatory, i.e., France for the full franking machine suite, and the United States and Canada for the meter. Quadient also has a financial service called postage financing. More recently, Quadient developed new offers such as the SWITCH online mailing service, allowing smaller companies to have access to a simple and online mail management tool.

On the 1st of February 2024, Quadient acquired Frama, a significant mailing and document management solutions provider to small and medium-sized businesses, serving more than 30,000 customers, mostly in Europe. This acquisition follows a long-term relationship between the two companies. Frama has been a trusted and strategic partner of Quadient for over ten years, selling Quadient's folder inserters, and more recently its line of mailing machines, both sold under the Frama brand.

Market

The mail solutions market continues to represent around 2 billion euros in annual revenue ⁽¹⁾, and is expected to decline at a limited rate in the years to come. Quadient is the second-largest global player, with total revenue of 729.0 million euros in 2023 in Mail-Related Solutions at Group level. Its two main competitors are Pitney Bowes and Francotyp Postalia.

1) Quadient estimates exclude production mail.

Customers

Quadient supports predominantly small and medium-sized enterprises across a variety of verticals. This customer base presents high cross-selling potential for Quadient's Intelligent Communication Automation solutions. Additionally, thanks to its high-end equipment range, Quadient also has contracts with large companies, especially Print Service Providers. These larger companies are also potential users of Quadient's Intelligent Communication Automation solutions and partners for Quadient's document outsourcing offer.

1.1.3 PARCEL LOCKER SOLUTIONS

For businesses and individuals who need to manage a growing volume of parcel deliveries and returns, Quadient provides and operates an automated parcel locker network for smart, secure pick-up and drop-off, offering users convenience and peace of mind for parcels of all sizes.

Quadient's network of parcel lockers offers simple parcel drop-off, storage, and retrieval in an automated and secure solution, eliminating the burden of missed deliveries and re-delivery attempts for carriers and the subsequent CO₂ emissions generated by delivery truck journeys. It also enables consumers to pick up their parcels on their own terms and reduces the risk of lost or stolen packages.

With a state-of-the-art software platform associated with the physical network, Quadient proposes an innovative yet agnostic approach for all verticals with uniquely designed lockers, customized sizes to suit all needs (oversized lockers for large goods, drop box for consolidation of returns, capacity to deploy large quantity of lockers in a short period of time).

Quadient has built leading positions in Japan and in the United States⁽¹⁾ and now capitalises on its strong expertise and existing assets to accelerate its development in Europe, mostly through the deployment of carrier-agnostic open networks in France and in the UK.

Focus for the Parcel Locker Solutions is on deploying an infrastructure of parcel lockers to consolidate volumes from existing international carriers (first and last mile delivery), click and collect orders, C to C and other goods collection needs. The strategy is based on securing prime locations to install the lockers while driving increasing volumes. In 2022, Quadient penetrated the United Kingdom with this new disruptive open network offer. In 2023, five of the largest carriers representing over 75% of the UK parcel volumes had already committed to using Quadient's open network (Evri, DPD, DHL, UPS and Royal Mail). In France, Quadient is following a similar strategy having secured both prime locations (most notably with the Auchan super and

Role of postal authorities

Postal authorities govern production, distribution, and maintenance of franking machines. Relations with postal authorities are key to Quadient, to jointly conduct extensive and country-specific certification procedures that ensure Quadient mail-related solutions meet all postal specifications and are authorized in each country where they are marketed.

hypermarkets) and the engagement of international carriers (GLS, Relais Colis and UPS). Finally, in 2023, Quadient has renewed its joint venture with Yamato in Japan and also renegotiated the terms of their commercial agreement, increasing the exposure to volumes by moving from a rental to a fee per parcel business model.

A leader in the residential market in the United States since the acquisition of Parcel Pending in 2019, Quadient has experienced continued traction in this market, as well as growing customer demand from the University segment.

Market

Driven by online sales that reached a new high during the Covid crisis, the parcel locker market is growing in popularity and visibility and has strong potential for development due to its multi-local aspect. Quadient estimates that around 4 million boxes were installed in its key markets, *i.e.* the United States, Japan, France and the United Kingdom.

In Japan, Quadient is the market leader in the carrier market and is benefiting from its first entrant position. In the United States⁽¹⁾, Quadient has maintained its leading position in the residential segment since the acquisition of Parcel Pending in 2019,

At the end of 2023, Quadient's global installed base stood at around 20,200 lockers compared to 18,000 units at the end of 2022. Each installed locker comprises several boxes.

Customers

Parcel Locker Solutions customers are primarily large companies, spanning from logistics operators (carriers), residential and corporate property managers to retailers and higher education bodies such as college and university campuses.

¹⁾ Excluding Amazon.

1.2 Strategy

1.2.1 “BACK TO GROWTH” STRATEGY

On 23 January 2019, Geoffrey Godet, Quadient’s Chief Executive Officer, unveiled the first phase of the Company’s “Back to Growth” strategy, aimed at expanding and growing the Company to reach a more balanced business profile designed to deliver sustainable and profitable organic growth going forward.

Since the launch of “Back to Growth”, Quadient has deeply transformed its operating model, simplified its organization and reshaped its product portfolio, having completed acquisitions in the business areas that had been targeted. In the meantime, Quadient has successfully developed its software and parcel locker activities, contained the decline of its mail-related business, increased the proportion of subscription-related revenue and generated significant synergies within the organization as well as within its solutions.

The second phase of the “Back to Growth” plan was announced in March 2021, covering the period of 2021-2023.

With the integration of its acquisitions, the focus was set on organic development, innovation and technology. Quadient aims at continuing to leverage its leadership positions and its strong software and smart hardware installed base to generate additional growth from its highly contributive subscription-related revenue, and further deploy cross-selling opportunities and value creation synergies across its solutions.

The full-year 2023 marks the end of Quadient’s “Back to Growth” strategic plan.

The end of the second phase of “Back to Growth” also marks the completion of the portfolio rotation that had been planned by Quadient in early 2019. Over the past five years, all non-core assets have been sold or closed, while important assets were added to the Solutions chosen by the Group.

Quadient is now an innovative and integrated B-to-B⁽¹⁾ subscription platform, focusing on powering billions of business transactions every day.

1.2.2 OPERATIONS FIRMLY ANCHORED ON A PATH OF PROFITABLE AND SUSTAINABLE GROWTH

Quadient’s Solutions have achieved significant milestones over the second phase of “Back to Growth”.

1.2.2.1 Intelligent Communication Automation

For Intelligent Communication Automation, the second phase of “Back to Growth” was a phase of cloud transformation. First, on the product side, by acquiring two SaaS financial automation modules (YayPay, in 2020 and Beanworks, in 2021) to complete the cloud platform. This was followed in 2023 by the launch of the Quadient Hub, an integrated cloud platform combining all modules for Intelligent Communication Automation. This innovative and integrated platform is an important driver of additional usage and up-sell. The various modules of the Quadient Hub have received numerous leader rankings from external surveys and analysts, highlighting the quality of the offering and its market leadership.

The solid growth in ARR⁽²⁾ is the validation from customers of the attractiveness of these solutions. It delivered a 19% CAGR over the period. At the end of the fiscal year 2023, ARR reached 206 million euros, i.e. an increase of 83 million euros compared to the fiscal year 2020.

Second, from both a technological and financial standpoint, the Solution has almost completed its move from on-premise licences to SaaS⁽³⁾, temporarily impacting its revenue and profitability trajectory. Meanwhile, the share of subscription-related revenue increased (80% in FY 2023, vs.

61% in FY 2020), thanks notably to a c.17% CAGR increase of these revenues over the 2021-2023 period. The share of SaaS customers also improved, reaching 82% at the end of the fiscal year 2023.

Lastly, an inflexion point has been reached for the operating profitability in H2 2022. By the end of the fiscal year 2023, the solution has been profitable and further improvement is expected in the years to come.

1.2.2.2 Mail-Related Solutions

Mail-Related Solutions have been outperforming the market throughout the 2021-2023 period, delivering a 0.6% organic revenue CAGR over the period. Whilst the Solution was significantly impacted by the Covid-19 crisis in terms of loss of revenues, the following years have demonstrated resilience and the success of its strategic choices to focus on re-investing in both its go-to-market strategy and smart equipment range.

Throughout the second phase of the plan, hardware sales showed strong dynamics, especially in the US that benefited from the USPS decertification and the placement of new generation machines. At Group level, hardware sales posted three consecutive years of organic growth. This solid performance is confirmed by the share of upgraded installed base, moving from 4.9% at the end of the fiscal year 2020 to 31.5% at the end of the fiscal year 2023, demonstrating the sound adoption trend for the new products.

¹⁾ Business to business.

²⁾ ARR: Annual Recurring Revenue.

³⁾ Software as a Service.

Meanwhile, subscription-related revenue, representing 68% of Mail-Related Solutions revenue, showed strong resilience over the period.

In terms of operating profitability, the current EBIT margin⁽¹⁾ of Mail-Related Solutions remained high, reaching 24.3% at the end of the fiscal year 2023.

1.2.2.3 Parcel Locker Solutions

The performance of Parcel Locker Solutions reflects the increased strategic focus towards open networks to drive higher returns per locker. Building on its Japanese network experience, Quadient decided to focus its efforts onto deploying new open networks of parcel lockers, notably in the UK and France. This deployment is based on two major cornerstones:

1. strong relationships and long-term agreements with international carriers, fueling parcel volumes into the networks, and
2. ability to secure prime locations to install lockers and benefit from the first-mover advantage in the most attractive locations.

1.2.3 FINANCIAL PERSPECTIVES

From a financial standpoint, the achievements are solid with only a small deviation against the mid-term outlook set in 2021:

- Organic sales CAGR for the 2021-2023 period was 2.5% in line with the 2.5% mid-term outlook revised in November 2023 (initially set in 2021 at minimum 3% CAGR),
- Organic current EBIT⁽¹⁾ CAGR⁽²⁾ was 3.3% over the 2021- 2023 period against the minimum mid-single digit organic current EBIT(x) CAGR that was set in 2021.

1.2.4 CAPITAL ALLOCATION

1.2.4.1 Investments

By focusing its growth trajectory on its organic opportunities, Quadient has continued to invest to develop its operations as long as the risk/return profile of its investments remains attractive. In 2023, the Company's capital expenditure amounted to 101 million euros, below the 120 million euros annual plan. This was mostly due to lower R&D and maintenance-related investments of 57 million euros. A level

Innovation has also played a key part in the development of the parcel locker offering. Significant new features and models have been developed to respond to a wide range of use cases. Among these innovative features, there are: oversize lockers for DIY shops, rear-loading lockers for universities, and the award-winning drop box to consolidate returns.

The installed locker base has grown to over 20,200 lockers, a 55% increase vs. the end of 2020 level. The profitability of this installed base has improved over the 2021-2023 period, reaching an operating margin of 13.6% by the end of 2023.

The ramp-up in volumes within existing open networks and ongoing efforts to secure the best locations and accelerate locker deployment should support future growth in subscription revenues. By the end of fiscal year 2023, these accounted for 61% of Parcel Locker Solutions revenues, while the usage rate of the platform remained solid at 58%.

With the end of the "Back to Growth" strategy, and the Group firmly positioned on a sustainable and profitable growth trajectory, the guidance for FY 2024 is for another year of organic growth, both at the revenue and current EBIT⁽¹⁾ levels.

Additional financial guidance, three-year strategic focus and trajectory for the Group will be discussed at Quadient's Capital Markets Day planned for 19 June 2024.

below the planned range of 70 to 80 million euros per year over the 2021-2023 period, following higher R&D investments in 2021 and 2022. At the same time, equipment-related investments reached 44 million euros, reflecting opportunities :

- Deployment in open networks, and
- Strong performance in courier-related equipment investments.

¹⁾ Before acquisition-related expenses.

²⁾ Based on 2020 current operating income before acquisition-related expenses excluding Parcel Pending's earn-out reversal, i.e. €45 million, with a scope effect resulting in a €40 million pro forma.

1.2.4.2 Financial leverage

In 2021, Quadient has set a target leverage⁽¹⁾ (excluding leasing) of 1.75x⁽²⁾ EBITDA for the end of the fiscal year 2023, in order to achieve a healthy, yet efficient balance sheet.

Over the 2021-2023 period, Quadient has continued to generate recurring cash flow while maintaining strict financial discipline, enabling it to reduce its leverage excluding leasing to 1.65x⁽²⁾ by the end of fiscal year 2023, in parallel with several acquisitions.

1.2.4.3 Acquisitions and divestments

During the course of the "Back to Growth" strategic plan, Quadient invested around 200 million euros in targeted acquisitions to strengthen its automated parcel delivery and software offerings. The Company also recorded approximately 110 million euros in proceeds from divestments.

Quadient regularly ensures that it is the best owner of its various businesses in terms of value creation, not excluding potential divestments or spin-offs, provided that capital could be re-deployed more effectively.

1.2.5 SHAREHOLDER RETURN POLICY

Quadient has set its annual pay-out ratio at a minimum of 20% of the Group attributable net income with the minimum annual dividend set at an absolute floor of 0.50 euro per share. The dividend will be paid in cash and in one instalment.

As part of its shareholder return policy, Quadient will also consider using yearly excess cash available for share buybacks.

1.3 Organizational structure

1.3.1 HEAD OFFICE

Quadient S.A.'s head office is in Bagneux, France, in the Paris region. All the Company's strategic assets, such as research and development, intellectual property, production and

distribution activities described below are held by majority-owned subsidiaries of Quadient S.A., the parent Company of the Group.

1.3.2 RESEARCH AND DEVELOPMENT CENTERS

Quadient has several research and development ("R&D") centers. The main R&D centers are located in Bagneux and Cavaillon (France), Loughton (United Kingdom) and Hradec Králové (Czech Republic).

Smaller satellite centers complete the Group's needs. They are located in Milford (USA) and Vancouver (Canada).

More than 550 engineers and technicians work in the R&D field at Quadient.

¹⁾ Net debt/ EBITDA ratio.

²⁾ Including IFRS 16.

1.3.3 PRODUCTION AND LOGISTIC CENTERS

Quadient has **two production and assembly centers**:

- Le Lude (France) for high-end mailing systems, as well as the customization of Mail-Related and Parcel Locker products; and
- Loughton (United Kingdom) for high-end folders/inserters.

These two sites are also the logistics centers used by the Company for Europe.

The company relies on industrial partners for manufacturing and assembly:

- Entry-level and mid-range franking systems;
- Entry-level inserting systems; and
- Automatic parcel lockers.

These products are then personalized at Le Lude production center in France, for the European market and the rest of the world, except for the United States and Canada, where these operations are handled by the Byhalia logistics center in the USA (see below).

The Group's **three logistics centers** ensure worldwide delivery of products and spare parts. The Byhalia center (USA) is responsible for the logistics and the customization of Mail-Related and Parcel Lockers products for the North American market. The Loughton and Le Lude production centers are also used for the distribution of Group products for Europe and the rest of the world.

1.3.4 DISTRIBUTION

Quadient's international sales network is a key asset of its business.

The Company has wholly-owned subsidiaries and branches in 27 countries: Australia, Austria, Belgium, Brazil, Canada, China, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Japan, Mexico, Netherlands, Norway, Poland, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

Quadient also has a network of local distributors in c.50 countries in addition to the countries covered by its subsidiaries. Generally speaking, these distributors are independent, essentially dedicated to Quadient products and have signed long-term distribution contracts with the Company.

1.3.5 INVESTMENTS

Excluding acquisitions, Quadient invested 101.1 million euros in 2023, compared with 87.4 million euros in 2022.

Details of investments are shown in the table below:

(In millions euros)	31 January 2024	31 January 2023
Acquisition of software	2.0	2.2
Capitalization of development expenses	33.3	35.6
Acquisition of machinery and equipment	1.9	2.4
Rented equipment	44.0	29.9
Other investments	6.4	8.0
Assets right of use (IFRS 16)	13.5	9.3
TOTAL	101.1	87.4

The breakdown of investments by solution is the following:

(In millions euros)	31 January 2024	31 January 2023
Intelligent Communication Automation	22.1	28.0
Mail-Related Solutions	53.3	40.9
Parcel Locker Solutions	25.7	18.5
Others	0.0	0.0
TOTAL	101.1	87.4



CORPORATE GOVERNANCE REPORT

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Letter from the Chairwoman of the Appointments and remuneration committee

Dear shareholders,

It is with great pleasure that I, on behalf of the Board of directors, present the corporate governance report for the fiscal year ended on 31 January 2024.

In the face of challenges inherent in the global economic landscape, 2023 posed a demanding environment for businesses worldwide. Quadient, too, navigated the complexities of a fiercely competitive labor market, supply chain disruptions, and increased business costs. Despite these hurdles, we emerge from 2023 with pride in our accomplishments.

This year witnessed Quadient achieving a revenue of 1.1 billion euros, demonstrating organic growth of 1.9% from the preceding year. The Group achieved a current EBIT⁽¹⁾ of 157 million euros, marking an organic growth of more than 9% versus the previous fiscal year. Our business model has continued to evolve, and the successful execution of the "Back to Growth" strategy attests our resilience and adaptability. Moreover, customer satisfaction remains robust across our three business solutions (ICA, MRS, and PLS).

In my second year as Chairwoman of the Appointments and remuneration committee, I take pride in Quadient's accomplishments and look forward to the future.

Throughout 2023, the Appointments and remuneration committee diligently focused on areas vital to our principles of high performance, pay-for-performance culture, alignment with shareholders' interests, competitiveness, sustainability, and transparency. Key areas of emphasis included improved benchmarks for remuneration policies against comparable European companies, board composition and skills review, succession planning, and staying abreast of governance trends and Environmental Social and Governance (ESG) policies and disclosures.

The Board of directors consistently adheres to the best corporate governance practices, demonstrating a high level of participation and engagement. As the Chairwoman of the Appointments and remuneration committee, I take pride in the effectiveness displayed by both the Board and the Committee.

The engagement and feedback from our shareholders are fundamental pillars of our Company's success. We have conducted over 130 meetings with investors, and I had the privilege of co-leading the "Governance Roadshow" alongside our Chairman. Through this initiative, we engaged extensively with a significant portion of our top shareholders, who collectively hold approximately 45% of our shares. These discussions centered around Quadient's business strategy and our remuneration-related proposals, allowing us to gather and incorporate their valuable feedback. By integrating this feedback into our proposals, we exemplify our dedication to responsiveness and alignment with shareholder interests.

The collaborative efforts of the Board, the Committee, and our compensation advisors have resulted in recommendations for the 2024 remuneration policy. Specifically, we propose a 15% increase in the CEO's base

salary, aligning it competitively, and adjusting the long-term incentive target grant from 135% to 150% of the base salary. This adjustment aims to position the CEO's salary at approximately the 66th percentile of 2022 benchmark data of the industry peers. By going through the details provided in this document, I am sure you will appreciate how the Appointments and remuneration committee worked to finalize its proposals, the criteria took into consideration and the supporting rationales.

In addition, Quadient is committed to shareholders' interests, incorporating Environmental, Social, and Governance, as well as Diversity, Equity, and Inclusion objectives into our incentive plans. The 2024 remuneration policy upholds our high-performance and pay-for-performance culture, reinforcing the principles and philosophy from the previous year.

Traditionally, the Board of directors and the committee conduct a comprehensive review of the CEO's compensation structure every three years, making the current adjustment retrospective in nature. Looking ahead, the committee is dedicated to implementing strategic measures that bolster our competitive advantage, facilitating the attraction and retention of talent within our global and multicultural organization.

In terms of Board remuneration, a refinement in the allocation of fees for Board and committee members has been suggested to achieve a more straightforward policy, while maintaining the budget for director fees unchanged. Furthermore, the Board of directors recommends a 30,000 euros increase/adjustment in the Chairman's fixed remuneration, aligning it with the median of our peers.

The orchestration of board refreshments and the annual assessment of board skills constitute integral processes in our governance practice. On 22 March 2024, subsequent to the resignation of Sébastien Marotte from his directorial position, the Board of directors, in alignment with the guidance of the Appointments and remuneration committee, put forth the commendation for the appointment of Emmanuel Blot from Bpifrance Investissement. Additionally, we advocated the renewal of directorships for our esteemed directors — Geoffrey Godet, Vincent Mercier, Richard Traksa, and Hélène Boulet-Supau. We propose the extension of their directorships, a recommendation poised for consideration at the General Meeting scheduled for 14 June 2024. It is noteworthy that Valerie Colin has recently assumed her role on the Board of directors as an employee representative director, while Christophe Liaudon has been reappointed. These strategic decisions underscore our unwavering commitment to fostering a board that embodies both diversity and exceptional expertise.

As we reflect on the achievements of 2023, I am honored to serve as Chairwoman of the Appointments and remuneration committee. I am excited about the continued collaboration with the Board of directors as we uphold our responsibilities to Quadient, its employees, partners, customers, and shareholders, adhering to the highest standards of governance.

Sincerely yours,

Martha Bejar

Chairwoman of the Appointments and remuneration committee

¹⁾ Before acquisition-related expenses.

This chapter includes the elements of the Corporate governance report drawn up on the basis of the French commercial code. The corporate governance report has been approved by the Board of directors at its meeting on 22 March 2024, upon recommendation of the Appointments and remuneration committee. Those parts constituting the report have been prepared on the basis of the contributions from several of the Company's corporate functional divisions, including the legal, human resources and financial departments.

2.1 Board of directors

2.1.1 GOVERNANCE STRUCTURE

Quadient S.A., Quadient's holding company, is a public limited company with a Board of directors ("*Société anonyme à Conseil d'administration*").

Quadient S.A. has made the choice of separating the functions of Chairman of the Board of directors and Chief Executive Officer since the Board meeting held on 12 January 2018 on the appointment of Geoffrey Godet as Chief Executive Officer, with effect from 1st February 2018. This choice was reiterated by the Board of directors at the meeting held on 16 June 2022, at close of the Annual General Meeting, on the renewal of Didier Lamouche's mandate as Chairman of the Board. This decision reflects the Company's goal to comply with best practices in corporate governance. The Board of directors' meeting to be held following the General Meeting in June 2024 will reiterate its decision to separate the functions of Chairman of the Board and Chief Executive Officer, considering that such governance structure is appropriate to the Group's challenges, is adapted to its shareholder structure and safeguards the interests of all its stakeholders.

The Board of directors is led by an independent and non-executive Chairman, and all non-executive directors are considered independent, except for Vincent Mercier and Eric Courteille, no longer considered independent for tenure reason under the Afep-Medef Code since July 2021 and since March 2024, respectively as they have been directors for over twelve years.

The Board has three standing committees: the Appointments and remuneration committee, the Audit committee, and the Strategy and environmental, social and governance committee, whose members are independent except for Vincent Mercier who remains a member of the Appointments and remuneration committee and Eric Courteille, who is a member of the Audit committee and the Strategy and environmental, social and governance committee.

Powers of the Chief Executive Officer:

As an executive officer, the Chief Executive Officer oversees and manages alone the operations of the Company. As such, he is invested with the broadest powers to act in all circumstances in the Company's name subject to the limitation imposed by law and regulations and to certain

decisions subject to prior authorization of the Board of directors as established in the articles of association and described in the internal rules of the Board and described in section 2.1.2 of this chapter. Article 16 of the articles of association states that "the Chief Executive Officer has the widest powers to act in the Company's name in all circumstances. He exercises his powers within the limits of the Company's object, subject to the powers which the law expressly attributes to shareholders' meetings and to the Board of directors".

Missions of the Chairman of the Board of directors:

In accordance with the law and the Company's articles of association, the Chairman of the Board of directors is elected by the Board of directors among its members. The age limit for the Chairman is 75. The Chairman represents the Board of directors. He coordinates and directs the works of the Board of directors which he reports to the General Meeting on and performs the Board's decisions. He ensures that the Company's bodies function correctly and in particular that the directors are able to perform their duties.

The Chairman also participates in the organization and preparation of the shareholders' general meetings that he chairs and to which he reports on the work of the Board of directors. In addition, the Chairman is the key point of contact for shareholders regarding matters of corporate governance. He is informed, as necessary, of the questions, comments and suggestions made by significant shareholders not represented at the Board of directors with regard to corporate governance.

Since February 2020, the management of conflicts of interest is carried out by the Chairman of the Board in conjunction with the Appointments and remuneration committee (the role and functions of the committees are detailed in section 2.2 of this chapter). The Chairman of the Board examines with the Appointments and remuneration committee any conflict of interest situations that he may have identified or that may have come to his attention. He shall inform the members of the Board of directors and may, if necessary, make any recommendation on the management with regard to such these potential conflicts of interest.

2.1.2 MISSIONS OF THE BOARD OF DIRECTORS

The Board of directors, a corporate body and forum for strategic discussion and decision-making, optimizes value creation while upholding the short, medium and long-term interests of the shareholders and all stakeholders.

Over and above applicable legal requirements, Quadiant S.A. places particular importance on the Board of directors being able to perform the following roles:

- to decide the strategy of the Company's business activity and to approve all decisions concerning the Company's major strategic, economic, social and financial orientations and ensure that these are implemented;
- to be informed of material changes in the markets, the competitive environment and the key challenges, including in the domain of corporate social responsibility/environmental, social and governance;
- to ensure there is an effective system in place within the Company that offers reasonable assurance that operations are conducted in accordance with current rules and regulations;
- to set up and run specialized committees with a view to enriching the decision-making process and adapt the internal rules of each committee in accordance with the situation of the Company, its environment and the applicable law, on the advice of each committee;
- to approve, upon recommendation of the Strategy and environmental, social and governance committee:
 - strategic choices and plans, aiming to promote long-term value creation by the Company and to take into account the environmental, social and governance challenges of its activities,
 - significant restructuring and investments that are not budgeted for or falling outside the scope of the strategy that was announced, and
 - generally, any acquisition or divestment of any entity, company or activity, by any mean whatsoever (including the acquisition or disposal of securities or assets, merger, spin-off or capital contribution), for an enterprise value or price exceeding 15 million euros;
- to approve the annual budget, and review and approve the financial statements at regular intervals;
- to review the Company's financial communication policy;
- to appoint the Chief Executive Officer of the Company and the members of the Board committees;
- to review the implementation by the General Management of a non-discrimination and diversity policy among the Company and its subsidiaries' senior executives and employees;
- to set the remuneration policy for General Management on the recommendation of the Appointments and remuneration committee;
- each year, prior to publication of the annual report, to review on a case-by-case basis the position of each of the directors and then notify the shareholders of the results of its review with a view to identifying independent directors;
- to approve the corporate governance report on the conditions for preparing and organizing the Board of directors' work, together with the Company's internal control procedures;
- to ensure that the management report meets the requirements of the Corporate Sustainability Reporting Directive ("CSRD") and contains all relevant information on sustainability issues, including objectives, policies, due diligence procedures and risks.

Details on how the Board of directors operates and the rights, obligations and recruitment practices of its members within the limits of their authorized mandates are defined in the internal rules of the Board of directors which was last updated in March 2024 and can be found on the Company's website. The internal rules detail the Board's principal missions as well as the operations for which its approval is required.

Composition of the Board of directors as of 31 January 2024:

	Age	Natio- nality	Gender	Number of shares	Key competence	Indepen- dence	Years on the Board	Start/last renewal of director- ship	End of term	Individual rate of attendance at Board meetings	Member of the Committees	Individual rate of attendance at Committees meetings
Geoffrey Godet Chief Executive Officer	47	FR & US	M	56,046	Corporate governance, leadership, Strategy and M&A, international experience, CEO experience, executive functions, SMB go-to-market expertise, SaaS software experience	no	5 years 7 months	June 2018 Renewed in July 2021	2024 (AGM approving the 2023 financial statements)	100%	-	-
Didier Lamouche Chairman of the Board of directors	64	FR	M	8,000	Corporate governance, leadership, strategy and M&A, international experience, CEO experience, emerging technologies and IT trends	yes	4 years 7 months	June 2019 Renewed in June 2022	2025 (AGM approving the 2024 financial statements)	100%	-	-
Martha Bejar	61	US	F	695	Corporate governance, leadership, strategy and M&A, international experience, CEO experience, SMB go-to-market expertise	yes	5 years	Co-opted in January 2019 and ratified in June 2019 Renewed in June 2022	2025 (AGM approving the 2024 financial statements)	100%	Strategy and ESG committee	100%
Hélène Boulet-Supau	57	FR	F	3,850	Strategy and M&A, finance, CEO experience, ESG, entrepreneur, formerly CEO, e-commerce services & last-mile delivery	yes	6 years 10 months	Co-opted in March 2017 and ratified in June 2017 Renewed in July 2021	2024 (AGM approving the 2023 financial statements)	100%	Audit committee	100%
Éric Courteille	56	FR	M	267	Corporate governance, leadership, strategy and M&A, finance, CEO experience, e-commerce & last-mile delivery	yes	11 years 10 months	Co-opted in March 2012 and ratified in July 2012 Renewed in July 2023	2026 (AGM approving the 2025 financial statements)	100%	Appoint-ments and remunera-tion committee	100%
Vincent Mercier ^(a)	74	FR	M	13,096	Corporate governance, leadership, strategy and M&A, finance, International experience, manufacturing and logistics, with postal and carrier industry expertise	no ^(b)	14 years 7 months	July 2009 Renewed in July 2021	2024 (AGM approving the 2023 financial statements)	100%	Strategy and ESG committee	100%

	Age	Natio- nality	Gender	Number of shares	Key competence	Indepen- dence	Years on the Board	Start/last renewal of director- ship	End of term	Individual rate of attendance at Board meetings	Member of the Board Commit- tees	Individual rate of attendance at Board Commit- tees meetings
Richard Troksa	61	US	M	1,500	Strategy and M&A, CEO experience, emerging technologies and IT trends (e.g., AI, cyber security), SMB go-to-market expertise, SaaS software experience	yes	7 years 7 months	July 2016 Renewed in July 2021	2024 (AGM approving the 2023 financial state-ments)	100%	Strategy and ESG committee	100%
Nathalie Wright	59	FR	F	1,015	Strategy and M&A, emerging technologies and IT trends (e.g., AI, cyber security), ESG, SMB go-to-market Expertise, e-commerce & last-mile delivery	yes	6 years 4 months	Co-opted in September 2017 and ratified in July 2018 Renewed in June 2022	2025 (AGM approving the 2024 financial state-ments)	88%	Strategy and ESG committee	100%
Sébastien Marotte	59	FR	M	1,901	Strategy and M&A, international experience, emerging technologies and IT trends (e.g., AI, cyber security), SMB go-to-market expertise, SaaS software experience	yes	2 years 7 months	July 2021	2024 (AGM approving the 2023 financial state-ments)	88%	Appoint-ments and remunera-tion committee	80%
Paula Felstead	58	GB	F	2,001	Strategy and M&A, international experience, emerging technologies and IT Trends, SMB go-to-market expertise, SaaS software experience	yes	2 years 4 months	Coopted in September 2021 and ratified and renewed in June 2022	2025 (AGM approving the 2024 financial state-ments)	88%	Audit committee	100%
Christophe Liaudon employee representative director	53	FR	M	2,066	Treasury, Finance	no	4 years 5 months	27 August 2019 Renewed in August 2023	2025	100%	Audit committee starting 25/01/2023 and reappoin-ted in September 2023	100%
Valérie Colin employee representative director	53	FR	F	0	Product marketing	no	5 months	28 August 2023	2025	100%	-	-

- (a) Vincent Mercier was the Board's lead director and the lead director's term of office ended on 31 January 2020 as stipulated upon the appointment of the new independent Chairman of the Board in June 2019.
- (b) As of 7 July 2021, on the 12th anniversary of Vincent Mercier's appointment as a director.

Pursuant to law No. 2019-486 of 22 May 2019 concerning growth and transformation of companies (the "Pacte Law") and article L.225-27-1 of the French commercial code, an additional employee representative director has been appointed in 2020.

Changes within the composition of the Board of directors during the fiscal year 2023:

The directorship of Éric Courteille has been renewed by the Annual General Meeting held on 16 June 2023, for a period of three years.

Valerie Colin has been appointed employee representative director by the Company's social and economic committee (comité social et économique) on 28 August 2023, as the successor to Nathalie Labia. On the recommendation of the Appointments and remuneration committee, the Board of directors acknowledged her appointment on 19 September 2023.

Christophe Liaudon has been reappointed as employee representative director by the Company's social and economic committee (comité social et économique) on 28 August 2023. On the recommendation of the Appointments and remuneration committee, the Board of directors acknowledged his appointment on 19 September 2023.

Changes within the composition of the Board of directors after the end of the fiscal year 2023:

On 22 March 2024, following Sébastien Marotte's resignation from his position as director, and upon recommendation of the Appointments and remuneration committee, the Board of directors co-opted the company Bpifrance Investissement. The company Bpifrance Investissement is represented by its permanent representative, Emmanuel Blot, for the remaining

period of Sébastien Marotte's term of office, *i.e.*, until the Annual General Meeting to approve the financial statements for the fiscal year ending 31 January 2024. This co-option is subject to the ratification by the Annual General Meeting on 14 June 2024.

The directorships of Geoffrey Godet, Vincent Mercier, Richard Troksa, Hélène Boulet-Supau and Bpifrance Investissement expire at the end of the Annual General Meeting on 14 June 2024.

At its meeting on 22 March 2024, the Board of directors, upon the Appointments and remuneration committee's recommendation, decided to propose that the directorship of Geoffrey Godet, Vincent Mercier, Richard Troksa, Hélène Boulet-Supau and Bpifrance Investissement be renewed at the next Annual General Meeting.

It will be proposed to renew the directorship of these directors for a period of three years, except for Vincent Mercier, for whom it will be proposed, exceptionally, to renew his term of office for a period of eighteen months from the date of the next Annual General Meeting, *i.e.* until 31 December 2025. In accordance with the Afep-Medef Code and the Company's articles of association, this term will facilitate the staggered renewal of the Board of directors.

2.1.3 CHAIRMAN OF THE BOARD**Didier LAMOUCHE****Expertise and management experience:**

Didier Lamouche is the Chairman of the Board of Quadient S.A. since 28 June 2019.

Didier Lamouche, 64, is a French citizen, graduated from École Centrale de Lyon (France), holds a PhD in Semiconductor Technology. Until the end of 2018, Didier Lamouche was President and Chief

Executive Officer of Idemia, a company resulting from the merger of Safran Identity & Security with Oberthur Technologies, the world leader in cyber security and digital identity technologies, which he had headed since 2013. He previously served as Chief Operating Officer of ST-Microelectronics from 2010 to 2013 and President and Chief Executive Officer of ST-Ericsson from 2011 to 2013. Didier Lamouche was previously Chairman of the Board and Chief Executive Officer of the Bull group from 2005 to 2010, which he turned around and repositioned on growth segments.

Didier Lamouche began his career in 1984 as an R&D engineer at Philips Research Lab before joining IBM Microelectronics from 1985 to 1994, holding various industrial positions in the semiconductor space in France and in the United States, at Motorola Semiconductor in 1995-1996, then as founder and Chief Executive Officer of the IBM-Siemens joint venture, Altis Semiconductor, from 1998 to 2003, and finally as global vice president of IBM's semiconductor operations based in New York. Didier Lamouche has extensive experience in corporate governance, in both public and private environments, having served as a director of eight public and four private-equity backed companies for nearly 20 years.

Didier Lamouche was appointed as director of Quadient S.A. by the General Meeting of 28 June 2019 for a three-year term. He was appointed Chairman of the Board on the same date. These two mandates were respectively renewed by the General meeting and the Board meeting on 16 June 2022 for a three-year term, until the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2025. Didier Lamouche was made a *Chevalier de la Légion d'Honneur* in 2010 for his contribution to the French tech industry.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Didier Lamouche is a non-executive director of the Board of Adecco (Swiss listed company and world leader in the staffing industry); non-executive director of ASM International (a Dutch listed company and leader of Semiconductor equipment industry); chairman of the Advisory Board of Ultimaco (German non-listed company), director of Imagination Technologies Group Ltd (UK non-listed company) and founder of DLT Consulting (French non-listed company).

Other mandates whose terms expired in the previous five years: President and Chief Executive Officer of Idemia (French non-listed company). Non-executive director of ACI Worldwide (Nasdaq-listed company and leader provider of software technologies for the payment industry).

Member of the Board committees: No.

Didier Lamouche holds 8,000 Quadient shares.

2.1.4 CHIEF EXECUTIVE OFFICER

Geoffrey GODET



Expertise and management experience:

Appointed Chief Executive Officer of Quadient S.A. as of 1 February 2018, Geoffrey Godet, 47, is a dual French and American citizen and a graduate of HEC. Prior to Quadient, he has spent his entire career with the Flatirons Jouve group, a leader in digital solutions for banking, insurance, healthcare, manufacturing, aeronautics, publishing, media and education. Geoffrey had been Chief Executive Officer of Flatirons solutions, based in California, and most recently was Chairman and Chief Executive Officer of Jouve, based in Paris. Prior to that, he was successively Marketing and Communication director, Head of the Cultural Heritage digitization division and managing director of Jouve Aviation solutions. Geoffrey

Godet was appointed director at the General Meeting of 29 June 2018 for a three-year term, which term was renewed by the General Meeting of 1 July 2021 until the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2024.

Other mandates currently held in the Group: Director of Quadient Holdings USA, Inc. and President and CEO of Quadient, Inc.

Other mandates currently held outside the Group: none.

Other mandates whose terms expired in the previous five years: Director of DOCAPOSTE BPO IS SA and director of Quadient CXM AG.

Member of the Board committees: No.

Geoffrey Godet holds 56,046 Quadient shares.

2.1.5 MEMBERS OF THE BOARD

In accordance with the law, the members of the Board of directors are proposed by the Board of directors, upon recommendation of the Appointments and remuneration committee, and appointed by the Ordinary General Meeting. The General Meeting may revoke their appointments at any time. The Board of directors must be comprised of at least three and at most eighteen members subject to the waiver provided for by law. Directors are appointed for a period of three years.

The number of directors aged over 70 shall not exceed one-third of directors in office.

Regular renewal of members of the Board (the Board has been getting younger, with the average age decreasing from

60.9 in 2016 to 58.5 in 2023, including the employee representative directors), compliance with law n° 2011-103 of 27 January 2011 on equal representation of men and women and openness of the Board of directors to diversity are the Board's governance guidelines (current representation of women on the Board of directors is 40%). Furthermore, 33.3% of the directors (including the employee representative directors) are of a foreign nationality.

The Appointments and remuneration committee is in charge of establishing the terms of succession plans for directors.

As of 31 January 2024, the Board was composed of twelve members, including two employee representatives.

Vincent MERCIER



Expertise and management experience:

Vincent Mercier is 74 years old and a French citizen. He is a civil engineering graduate from the École des Mines and has a Masters in economic science, as well as an MBA from Cornell University (United States). For 10 years, he was one of the heads of the Industrial Development Institute while teaching strategy at HEC. He has extensive experience in the Service and Retail industries, having been a member of Wagons-Lits and then Carrefour Group's executive committees. Until 2014, he was Chair of the supervisory Board of Roland Berger Strategy Consultants, where he served as director for France and China until 2010.

Vincent Mercier was appointed director of Quadient at the General Meeting of 7 July 2009. His mandate was renewed at the General Meeting of 1 July 2021 for a three-year term,

which means until the 2024 General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2024.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: member of the supervisory Board of Sucres et Denrées (Sucden) (French non-listed company), Altavia Europe (French non-listed company) and ADIE (French non-listed company), Azulis Capital (French non-listed company).

Other mandates whose terms expired in the previous past five years: FM Logistic (French non-listed company).

Member of the Board committees: Strategy and environmental, social and governance committee and Appointments and remuneration committee.

Vincent Mercier holds 13,096 Quadient shares.

Martha BEJAR



Expertise and management experience:

Martha Bejar is 61 years old and an American citizen. She is an expert in software and technology with an in-depth knowledge of the American market. She has held the position of Chief Executive Officer in technology/ software services companies.

Martha is the recipient of numerous industry awards including 2018 and 2020 "Top Corporate director" by *Latino Leader Magazine*, 2019 NACD directorship 100, "Inspiring Women 2017" from Washington State, and was ranked among the 50 most influential Hispanic women in the United States by *Hispanic Inc. Business Magazine*.

The Board of directors co-opted Martha Bejar on 11 January 2019, to replace Catherine Pourre who resigned on 24 September 2018.

Her mandate was renewed at the General Meeting of 16 June 2022 for a three-year term, to be renewed during the

General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2025.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Senior Partner at DaGrosa Capital Partners (non-listed company), independent director of Lumen Technologies (listed company), Sportsman's Warehouse (listed company), Commvault Systems (listed company), and Afiniti (non-listed company).

Other mandates whose terms expired in the previous past five years: Founder/CEO of Red Bison Advisory Group (non-listed private company), Chief Executive Officer of Unium, Inc (US non-listed company), independent director of Mitel, and independent director of Polycom.

Member of the Board committees: Strategy and environmental, social and governance committee and Appointments and remuneration committee (Chairwoman).

Martha Bejar holds 695 Quadient shares.

Hélène BOULET-SUPAU



Expertise and management experience:

Hélène Boulet-Supau is 57 years old and a French citizen. Having graduated from ESSEC, she started her career at Arthur Andersen, before joining the Pierre & Vacances group, where she held various finance positions from 1991 to 2000, before being appointed Group Financial director. Hélène Boulet-Supau then worked as a

financial consultant, before taking over the reins of Larroque alongside the Company's founder. From 2007 to 2019, Hélène Boulet-Supau was Chief Executive Officer and shareholder of Sarenza. In 2020, she launched a facility management business providing services to companies, FabWorkplace. In 2021, she launched educawa.com, an educational website for parents and grandparents.

The co-optation of Hélène Boulet-Supau by the Board meeting on 27 March 2017 was ratified by the General Meeting on 30 June 2017. Hélène Boulet-Supau's mandate was first renewed at the General Meeting of 29 June 2018 for

a three-year term, and was again renewed 1st July 2021 for a three-year term, which means until the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2024.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Member of the supervisory Board of Colisée Care (French non-listed company), director of Socotec (French non-listed company), director of the non-profit organization Entrepreneurs du Monde (French association), manager of FabWorkplace SARL and chairwoman of Educawa SAS (French non-listed companies).

Other mandates whose terms expired in the previous past five years: none

Member of the Board committees: Audit committee and Appointments and remuneration committee.

Hélène Boulet-Supau holds, directly and indirectly, 3,850 Quadient shares.

Éric COURTEILLE

**Expertise and management experience:**

Éric Courteille is 56 years old, and a French citizen. He is Chairman of New R SAS. Éric Courteille is a graduate of ESCP-EAP and started his career at Arthur Andersen France, as an auditor, from 1995 to 2000. He then jointly founded the Sporever group. From 2002 to 2006, he held several positions in the finance department of the PPR group. At the end of 2006, he joined Redcats USA (part of Kering Group) as chief financial officer (CFO) and General Secretary. Eric Courteille held the position of Chief Executive Officer of La Redoute SAS from 2014 to March 2022.

On 4 July 2012, the General Meeting ratified the appointment of Éric Courteille as director. His mandate was renewed at the General Meeting of 30 June 2017, at the General Meeting of 6 July 2020 and at the General Meeting of 16 June 2023 for a further three-year term, which means until the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2026.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Chief Executive Officer of BCR SAS (French non-listed company); Chief Executive Officer of NEW R SAS (French non-listed company), permanent representative of AUSSPAR SAS board member of United.b SA (French non-listed company), Chairman of Aroma Zone Topco SAS (French non-listed company), Board member of Boulanger S.A. (French non-listed company), Chairman of Tojuli SASU (French non-listed company) and Chairman of Julito SASU (French non-listed company).

Other mandates whose terms expired in the previous past five years: Independent Board member of Hygie31 since July 2020 (French non-listed company), Chief Executive Officer of La Redoute (French non-listed company).

Member of the Board committees: Audit committee (chairman).

Éric Courteille holds 267 Quadient shares.

Richard TROKSA

**Expertise and management experience:**

Richard Troksa is 61 years old and an American citizen. He is the owner of Gold Aspen Consulting, LLC, a company dedicated to providing advice in strategy, development and operational efficiency for new technologies and solutions. Graduating with a bachelor's degree in electrical engineering from Purdue University and then a master's degree in engineering sciences from Colorado State University, Richard Troksa started his career at IBM in 1984 and held numerous technical and business positions before being appointed business Line Manager in 2000. He joined Exstream Software in 2004 and was appointed Chief Executive Officer in 2007. Upon Exstream's acquisition in 2008, he became Vice President of IPG Enterprise Software at Hewlett-Packard, a position he held until 2010. Richard Troksa has a solid financial and managerial experience focusing on the development and introduction of innovative technical solutions.

Richard Troksa was appointed director at the General Meeting of 1st July 2016 for a three-year term and was first renewed in advance at the General Meeting of 29 June 2018 for a three-year term and was therefore renewed 1st July 2021 until the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2024.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: member of the Board of directors of Gorilla Logic, LLC (American non-listed company), member of the Board of directors of Gryphon Networks (American non-listed company), member of the Board of directors of 7Rivers, Inc. (American non-listed company).

Other mandates whose terms expired in the previous past five years: Board member of 7Summits, LLC (American non-listed company).

Member of the Board committees: Strategy and environmental, social and governance committee (chairman).

Richard Troksa holds 1,500 Quadient shares.

Nathalie WRIGHT**Expertise and management experience:**

Nathalie Wright is 59 years old and a French citizen. A graduate in economics from Paris Assas University, the IAE and INSEAD, she started her career at Digital Equipment France before joining NewBridge Networks France. She held the positions of Sales Manager and Country Leader at MCI, then Easynet and finally, Vice President Southern Europe in charge of Commercial Strategy for France, Italy, Spain and the Middle East for AT&T. Nathalie Wright joined Microsoft in 2009, where she held the positions of director of the Public Sector division, then General Manager for Enterprise & Strategic Alliances for 5 years. In 2017, Nathalie Wright was appointed Vice President Software France at IBM. She then joined Rexel in 2018 until September 2023 as Chief Digital Officer and member of the Rexel Group executive committee, as well as being responsible for Rexel ESG group strategy. Nathalie Wright was made a *Chevalier de la Légion d'Honneur* in 2011 for her actions promoting diversity in the workplace.

Nathalie Wright was co-opted by the Board of directors on 25 September 2017 to replace Jean-Paul Villot, who resigned from his directorship on 28 July 2017. On 29 June 2018, the General Meeting ratified her co-optation. Nathalie Wright's mandate was last renewed at the General Meeting of 16 June 2022 for a three-year term, to be renewed at the General Meeting called to vote on the financial statements for the fiscal year ending 31 January 2025.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: member of the supervisory Board of Groupe Keolis S.A.S (French non-listed company) and member of the supervisory Board of Amundi (French listed company).

Other mandates whose terms expired in the previous past five years: none

Member of the Board committees: Strategy and environmental, social and governance committee.

Nathalie Wright holds 1,015 Quadient shares.

Sébastien MAROTTE**Expertise and management experience:**

Sébastien Marotte is 59 years old and a French citizen. Sébastien Marotte holds a Master's degree in Finance and business from ESLSA business School Paris. He also serves as a Board member at Temporal. Over a 30+ year career, Sébastien Marotte has held executive roles at some of the world's highest-profile software companies including Google, Hyperion, and Oracle. He led Google Cloud's EMEA Channels as Vice President, having also served as Vice President of Google Cloud EMEA for almost a decade. As an early leader at Google Cloud, Sébastien Marotte was responsible for much of the foundational growth and development across EMEA, including the launch of G Suite (now Google Workspace).

Sébastien Marotte was appointed Board member at the General Meeting of 1st July 2021 for a three-year, which means until the General Meeting to be called to vote on the financial statements for the fiscal year ending 31 January 2024.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: President Box EMEA and board member of Temporal.

Other mandates whose terms expired in the previous past five years: none.

Member of the Board committees: Appointments and remuneration committee.

Sébastien Marotte holds 1,901 Quadient shares.

Paula FELSTEAD**Expertise and management experience:**

Paula Felstead is 57 years old and a British citizen. Paula holds a graduate degree in computer studies from University of West London. She started her career at BHP in Western Australia before working in many industries including Telecom, Financial Services, Data services and Payments in Europe and the UK. She has held positions of Chief Digital & Innovation Officer, Chief Technology Officer and Chief Technology & Operations Officer at Visa Europe, and Ingenico Group.

Paula Felstead was co-opted by the Board of 24 September 2021. Her mandate was ratified by the General Meeting of 16 June 2022 and renewed for a three-year term, meaning until the General Meeting to be called to vote on the financial statements for the fiscal year ending 31 January 2025.

Paula Felstead volunteers as a mentor for the Youth Group (charity to assist young people entering the workplace or education) and has been a guest speaker for two years at the Warwick business School MBA program on digital leadership.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Chief Technology and Operations Officer of HotelBeds Group.

Other mandates whose terms expired in the previous past five years: none.

Member of the Board committees: Audit committee.

Paula Felstead holds 2,001 Quadient shares.

2.1.6 EMPLOYEE REPRESENTATIVE DIRECTORS

In accordance with applicable law, employee representative directors have the right to vote, the same rights, obligations, including confidentiality, and responsibilities as other directors. In compliance with the law, the two directors

representing the employees are of a different gender. The term of office is two years, renewable three times from the date of appointment.

Christophe LIAUDON



Expertise and management experience:

Christophe Liaudon is 53 years old and a French citizen.

After spending about ten years in both private and public sectors, Christophe Liaudon joined Quadient in 2002 to create and organize the treasury department.

Since then, Christophe has accompanied Quadient in its growth in building up the cash management organization and the optimization of the debt structure. Quadient has been a pioneer in the French private placement (PP) market after several USPP deals and was one of the first to issue a *Schuldschein* in USD.

Christophe Liaudon was appointed employee representative director of Quadient at the Company's social and economic committee ("*Comité social et économique*") meeting on 27 August 2019 for a two-year term. His mandate was first renewed at the social and economic committee meeting on 27 August 2021 and renewed again at the social and economic committee meeting on the 28 August 2023 for a further two-year term, until August 2025.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: none.

Other mandates whose terms expired in the previous past five years: none.

Member of the Board committees: Audit committee.

Christophe Liaudon holds 2,066 Quadient shares.

Valérie COLIN



Expertise and management experience:

Valérie Colin is 53 years old and a French citizen. Valérie Colin is the Vice President of Global Small and Mid-Size Business (SMB) Product Marketing at Quadient, leading the product and go-to-market strategy for Quadient's *SaaS* software solutions, such as accounts receivable, accounts payable, and document automation. Valérie began

her career at HP, transitioning through various roles spanning from presales, project delivery, channel development, and global product marketing. Joining Quadient in 2012 as Marketing Director, she launched globally the OMS-500 solution, the very first document automation software for SMBs, which was rebranded Impress in 2020. She then became chief digital & marketing officer at Heppner, a leading European independent transportation company, before joining GS1, the global not-for-profit organization that develops standards for the identification, capture, and sharing of product information, where she championed

digital transformation and innovation. Returning to Quadient in 2020, Valérie has led the regional marketing efforts in France & Benelux before assuming her current role in 2021. She holds an electrical engineering degree from INSA Lyon and a master's degree in marketing from EM Lyon business school.

Valérie Colin was appointed employee representative director of Quadient during the Company's social and economic committee ("*Comité social et économique*") meeting of 28 August 2023 for a two-year term, until August 2025.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: none.

Other mandates whose terms expired in the previous past five years: none.

Member of the Board committees: none.

Valérie Colin holds 0 Quadient share.

Information on members of the Board after the end of the fiscal year 2023:

The Board of directors co-opted Bpifrance Investissement on 22 March 2024, to replace Sébastien Marotte who resigned from his position as director of the Board of directors on 20 March 2024.

Bpifrance Investissement**Expertise and management experience:**

Bpifrance Investissement is the asset management company that manages Bpifrance's equity investments. Its aim is to be the long-term partner of companies of all sizes by directly and indirectly financing their sustainable and responsible growth through equity, quasi-equity and debt. Bpifrance Investissement is one of France's largest asset management companies, with over 50 billion euros in assets under management - including 14 billion euros managed on behalf of third parties - more than 250 professional investors, and a strong local presence with 53 regional offices.

The permanent representative of Bpifrance Investissement is Emmanuel Blot. Emmanuel Blot is 38 years old and is a French citizen. He graduated from ESSEC Business School in Paris in 2009. He is currently investment director and head of the listed investment practice within the large cap division of Bpifrance. He has 14 years' experience in finance and private equity and has led several investments in listed companies

on behalf of Bpifrance, including Quadient. He previously worked as a sell-side analyst at Bryan, Garnier & Co (2009-2011) and Oddo BHF (2011-2012), focusing on the aerospace & defence and capital goods sectors.

Other mandates currently held in the Group: none.

Other mandates currently held outside the Group: Non-executive director of Constellium SE (French listed company) and permanent representative of Bpifrance Participations at the Board of directors of Mersen (French listed company).

Other mandates whose terms expired in the previous past five years: none.

Member of the Board committees: Strategy and environmental, social and governance committee (since March 2024).

Bpifrance Investissement holds 2,800,000 Quadient shares.

2.1.7 INDEPENDENT DIRECTORS

In accordance with the recommendations of the Afep-Medef code, the internal rules of the Board of directors and its committees provide that :

- the Board of directors and the Audit committee be composed of at least two-thirds of independent directors; and
- the Appointments and remuneration committee and the Strategy and environmental, social and governance committee be composed of a majority of independent directors.

The internal rules of the Board of directors provide the following definition of the independent director *"a director is independent when he/she has no relationship of any kind whatsoever with the Company, its subsidiaries or its management that may compromise his/her judgment."* and a list of incompatibilities. In addition, the Afep-Medef code provides the following definition of an independent director: *"A director is independent when he or she has no relationship of any kind whatsoever with the Company, its group or the management of either that could compromise his or her freedom of judgment."* Pursuant to the recommendations of this code, every year, the

Appointments and remuneration committee conducts an assessment of the independence of the members of the Board of directors appointed by the General Meeting and, as the case may be, of the candidates for such a position is included on the agenda of the Board and issues its recommendation on the independence to the Board in light of these independence criteria. The Appointments and remuneration committee conducted the independence assessment and submitted its recommendation to the Board of directors in September and November 2023.

The last recommendation was presented to the Board of directors on 28 November 2023. As a result of the assessment carried out, eight out of the ten directors on the Board as of 31 January 2024 (80%¹⁾) were independent. In accordance with the Afep-Medef Code, directors representing employees are not taken into account when calculating the percentage of independent directors. Accordingly, as of 31 January 2024, all directors on the Board of Quadient S.A. are independent, except for Geoffrey Godet, the Chief Executive Officer, Vincent Mercier, since July 2021 and Eric Courteille since March 2024, who are no longer considered independent under the Afep-Medef Code, as they had been director for over twelve years.

¹⁾ In accordance with Afep-Medef Code, this rate does not take into account the employee representative directors.

The following table shows the status of each director with regard to the criteria for independence set out in the internal rules of the Board and the Afep-Medef Code (situation on 31 January 2024).

Criteria	Geoffrey Godet	Martha Bejar	Hélène Boulet-Supau	Éric Courteille	Paula Felstead	Didier Lamouche	Sébastien Marotte	Vincent Mercier	Richard Troksa	Nathalie Wright	Christophe Liaudon	Valérie Colin
Employee company officer during the previous five years: He/she shall not be an employee or executive corporate officer of the Company, an employee, corporate officer or director of its parent company or of a company that it consolidates, and not have served in any of these capacities during the previous five years	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Cross-directorships: He/she shall not be an executive corporate officer of another company in which the Company holds, directly or indirectly, a position on the Board of directors, or in which an employee designated as such or an executive corporate officer of the Company (either present or within the last five years) holds a position on the Board of directors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Significant business relationships: He/she shall not be a major client, supplier, corporate banker or financial banker of the Company or the Group, or be an entity for which the Company or Group represents a significant percentage of business	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Family ties: He/she shall not have close family ties with a corporate officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Auditor: He/she shall not have been a statutory auditor of the Company in the previous five years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Period of office exceeding 12 years: He/she shall not have been a director of the Company for more than 12 years. The loss of status as independent director occurs after a period of 12 years.	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	N/A	N/A
Status of non-executive officer: He/she shall not receive variable remuneration in cash or securities or any remuneration related to the Group's performance	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A

Criteria	Geoffrey Godet	Martha Bejar	Hélène Boulet-Supau	Éric Courteille	Paula Felstead	Didier Lamouche	Sébastien Marotte	Vincent Mercier	Richard Troksa	Nathalie Wright	Christophe Liaudon	Valérie Colin
Status of the major shareholders: He/she shall not participate in the control of the Company, or hold more than 10% in the capital or voting rights of the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
Independent (reason not considered as independent)	X (Chief Executive Officer)	✓	✓	✓	✓	✓	✓	X (more than 12 years of service)	✓	✓	X (employees representative directors)	X

N/A: Non applicable

In the table, "✓" represents a criterion of independence which is satisfied and "X" represents a criterion of independence which is not satisfied.

None of the directors considered to be independent have any direct or indirect business links with the Company.

There are no family ties between the directors. To the best knowledge of Quadient, none of the directors on the Board as of 31 January 2024 has been found guilty of fraud, managing a company placed in receivership or declared bankrupt, incurred any official public penalty and/or sanction, or been prevented from acting or operating in the management or conduct of a company, over the past five years. No directors have been involved in liquidation proceedings when they were a member of a Board of directors, a management body or supervisory Board over the past five years.

There are no potential conflicts of interest for the corporate officers and directors between their duties to Quadient and other interests or duties to which they may be bound.

No arrangements or agreements have been made with the principal shareholders, customers, suppliers or other parties, by virtue of which any of the corporate officers has been selected as a member of an administrative, management or supervisory body or as a member of the General Management.

INTERNATIONAL COMPOSITION, GENDER EQUALITY AND DIVERSITY ON THE BOARD

Indicator	2023	2022
Non-French national directors	4 ^(a)	5 ^(a)
% non-French nationality	33.3% ^(a)	42% ^(a)
Number of women	4	4
% women	40% ^(b)	40% ^(b)

(a) Geoffrey Godet has a dual French and American nationality. In addition, the dual French and Brazilian nationality of Nathalie Labia, employee representative director until August 2023 was taken into account for the purpose of this ratio in 2022 but not for 2023 since Valérie Colin, who replaced Nathalie Labia in August 2023, has only the French nationality.

(b) In accordance with French legislation and the Afep-Medef code, employee representative directors are not taken into account when determining the proportion of women on the Board of directors.

The Board of directors ensures a balance in its composition and that of its committees in particular through the diversity and complementarity of experience, skills, international experience and professional expertise. Based on the recommendations made by Appointments and remuneration committee, the criteria prevailing in the process of selecting talents sought to renew or supplement those already present within the Board are as follows:

- independence, skills, international experience, motivation, availability;
- alignment with the strategy of the Company;
- adequacy with the current composition and appropriate evolution of the Board of directors;
- maintaining of the appropriate number of independent directors;
- balanced gender representation, nationalities and expertise.

The composition of the Board of directors reflects the diversity and complementarity of the experience and expertise of its members.

As of 31 January 2024:

- as explained in sections 2.1.2 to 2.1.6 above-mentioned, the vast majority of the Board members has extensive international experience. 33.3% of them have a non-French nationality.
- four of the ten non-employee Board members are women (Valérie Colin, employee representative director, is not

taken into account when determining gender parity): Martha Bejar, Hélène Boulet-Supau, Nathalie Wright and Paula Felstead, bringing the current representation of women on the Board of directors to 40%.

Due to their diverse profile, each director contributes to the Board's diversity through their respective and complementary career path, education, experience, age and nationality.

The Board skills matrix below gives a better understanding of this diversity and complementarity of experience.

Board skills matrix

Situation on 31 January 2024

	Corporate governance, leadership	Strategy and M&A	Finance/audit/CFO experience	International experience	CEO experience	Emerging technologies and IT trends (e.g., AI, cyber security)	Environmental Social and Governance	SMB go-to-market expertise	E-commerce & last-mile delivery	SaaS software experience ("office of the CFO", enterprise B2B)
Didier Lamouche	X	X		X	X	X				
Geoffrey Godet	X	X		X	X			X		X
Martha Bejar ^{(b)(c)}	X	X		X	X			X		
Hélène Boulet-Supau ^{(a)(c)}		X	X		X		X		X	
Éric Courteille ^(a)	X	X	X		X				X	
Vincent Mercier ^{(b)(c)}	X	X	X	X					X	
Richard Troksa ^(b)		X			X	X		X		X
Nathalie Wright ^(b)		X				X	X	X	X	
Sébastien Marotte ^(c)		X		X		X		X		X
Paula Felstead ^(a)		X		X		X		X		X

^(a) Audit committee member

^(b) Strategy and environment, social and governance committee member

^(c) Appointments and remuneration committee member

The employee representative directors (Christophe Liaudon and Valérie Colin) are not included in the skills matrix

Succession planning

In compliance with article 18.2.2. of the Afep-Medef code and the internal rules of the Board of directors, drawing up succession planning is one of the most important tasks of the Appointments and remuneration committee. The internal rules of the Board of directors state that the Appointments and remuneration committee is responsible for "ensuring the sustainability of the corporate bodies by drawing up a succession plan for the Company's executive corporate officers and directors in order to be able to propose succession solutions to the Board of directors in the event of an unforeseen vacancy".

In September 2024, the Appointments and remuneration committee will continue and expand this evergreen succession process to the Chairman of the Board, Committee chairs, and executive committee members. The succession process will be reviewed once a year, usually in September by the Appointments and remuneration committee and then by the Board of directors.

- Emergency succession plan:

This plan, which has been reviewed and approved by the Board of directors upon the recommendation of the Appointments and remuneration committee, sets out the principles for the envisaged solutions that would be put in place if the position of Chief Executive Officer were to become vacant sooner than expected or due to unforeseen circumstances (sudden departure). Different scenarios are provided for depending on whether the situation is definitive and lasting or temporary and short-term. Internal candidates were identified. However, the Board of directors would need to carry out another analysis at the time any such unforeseen or sooner-than-expected vacancy occurred, before deciding on the course of action to take.

- Long-term succession plan:

This plan, which has been reviewed and approved by the Board of directors upon the recommendation of the Appointments and remuneration committee, sets out the principles for the various stages and timing for implementing the succession plan based on the assumptions of (i) a decision taken to renew and continue (or not) the term of office of the Chief Executive Officer when his term expires, and, (ii) a foreseeable or anticipated departure (normal or accelerated succession). Internal candidates were identified.

Trainings and introduction of new directors

Upon taking office and in order to ease a smooth transition as a Board member, all new directors receive the documentation required to perform their duties. This documentation includes the Company's articles of association, the rules of procedure of the Board and its committees, the stock market code of ethics (to be signed) together with the annual calendar of authorized periods to trade on Quadient's securities, the annual schedule of Board and committee meetings, the date of the General Meeting and the most recent universal registration document. Each director receives the information he/she requires to perform his/her duties and can obtain disclosure of all documents he/she considers necessary. All directors receive press releases issued by the Company.

In addition, each new director meets with members of Quadient's senior management to gain a deeper knowledge of the Company, its businesses and markets.

Each year, the directors attend at least one specific Board meeting on strategy. During this specific "strategy session",

the management presents a number of topics for discussion concerning the Company's execution of its strategy and future planning, the evolution of its markets, solutions, customers and internal organization, and the organic and inorganic investment opportunities to accelerate the Company's transformation.

Additionally, each new director, including the directors representing the employees, is registered with the French Institute of directors (IFA). In compliance with the Afep-Medef code, following their appointment, the employee representative directors receive dedicated onboarding trainings from the IFA enabling them to perform their duties. The trainings mainly cover the role and operation of the Board of directors, the rights and obligations of directors and their responsibilities, as well as the company's organisation and activities. In 2023, following her appointment, Valérie Colin has received a training with the French Institute of directors (IFA).

In September 2023, all directors received a training on climate-related issues called "Climate Fresk" composed of a three-hour face-to-face workshop.

2.1.8 WORK OF THE BOARD OF DIRECTORS

In accordance with article 14.2 of the Company's articles of association, directors may be called to Board meetings by any means, even verbally, at either the registered office or any other place indicated in the notice. Decisions are taken under the quorum and majority provided for by law. In the event of a tie vote, the chairman of the meeting has the casting vote.

In accordance with the internal rules of the Board of directors, the Board of directors meets at least four times a year and as many times as it considers necessary, upon notice of meeting by the Chairman, usually sent at least five days before the meeting, using all resources and communicative channels.

During the fiscal year ended 31 January 2024, the 12 members of the Board of directors met eight times, (physically as well as virtually), with a global attendance rate of 96.9%. On average, the meetings lasted 2 hours and 35 minutes.

This year, three "executive sessions" have been organized at the end of Appointments and remuneration committee's meetings and one "executive session" at the end of a Board meeting, with the directors who do not hold executive or employee positions on the Board of directors, during which the directors may discuss the Company's strategic challenges, working practices or specific topics or subjects that the directors would like to see presented or dealt with in Board or Committee meetings.

Directors' participation at Board meetings in the fiscal year 2023

	Attendance rate	Number of meetings
Geoffrey Godet	100%	8/8
Didier Lamouche	100%	8/8
Martha Bejar	100%	8/8
Hélène Boulet-Supau	100%	8/8
Éric Courteille	100%	8/8
Vincent Mercier	100%	8/8
Richard Troksa	100%	8/8
Nathalie Wright	88%	7/8
Christophe Liaudon	100%	8/8
Nathalie Labia	100%	5/5
Paula Felstead	88%	7/8
Sébastien Marotte	88%	7/8
Valérie Colin	100%	3/3

The main themes discussed at Board meetings in 2023 were as follows:

Strategy	- Monitoring the Company's strategy and organization over a three-year plan - Results of the Strategy and environmental, social and governance committee's work - Financial communications and investor relations - Review of the acquisitions, divestments and other strategic projects underway - Analysis of the Company's business plan
Corporate governance	- Review and monitor the Board members' independence under the definition provided in the internal rules of the Board of directors and the Afep-Medef code - Annual evaluation of the Board and its committees - Amendment to the internal rules of the Board and Committees - Succession planning - Governance roadshow update - Preparation for the Annual General Meeting - Review of the Board mandates that expire at the end of the Annual General Meeting on 14 June 2024 - M&A update
Business and customers	- Regular review of the Company's markets, solutions and customer needs - Assess technical risks and opportunities related to the Company's research and development, innovation and supply chain activities - Monitor the Company's organization and human resources priorities - Monitor the Company's activities related to environmental, social and governance risks and opportunities
Internal controls	- Results of the work conducted by the Audit committee concerning audits and evaluation of the internal control system in the Group - Approval of the report on the work of the Board related to internal control and risk management procedures
Finance	- Highlights, presentation and analysis of the results of the fiscal year 2022 - Budget and outlook for the fiscal year 2023 - Forecasts and quarterly results - Approval of the annual and interim consolidated financial statements for Quadiant S.A. - Approval of the annual and interim individual financial statements for Quadiant S.A. - Cash and debt positions, dividends, launch and monitoring of share buyback programs - Refinancing operations - Related-party agreements - Results of the Audit committee's work - Shareholder strategy and capital allocation policy - Share buyback program
Remuneration	- Results of the Appointments and remuneration committee's work - Performance of free share allocation programs - New allocation of directors' remuneration fees for the fiscal year 2023 - Plan for allocating free performance shares - Implementation of the share buyback program and delegations granted to the Chief Executive Officer - Remuneration policy of the Chairman and directors - Remuneration policy of the Chief Executive Officer
Appointments	- Results of the Appointments and remuneration committee's work - Renewal of Mr. Courteille's term as director - Appointment of Sébastien Marotte to the Appointments and remuneration committee - Appointment of Valérie Colin as employee representative director - Reappointment of Christophe Liaudon as employee representative director and to the Audit committee

Once finalized, all documents relating to a Board meeting's agenda are transmitted to the directors by the management at the earliest opportunity, *i.e.* several days before the meeting. The elements can be accessed by all Board members *via* the internet platform that enables them to review documents prior to meetings, as well as information such as the articles of association and Board's rules of procedure. This platform also provides access to the documents of the various committees, exclusively for directors who sit on each committee.

According to the Company's rules of procedure, the Chairman's obligation to disclose information goes hand-in-hand with each director's duty to be diligent in remaining informed, to request any information they may require to help the understanding of the items on the agenda from the Chairman in good time, to make themselves available, and allow the necessary time and attention to perform their duties.

2.1.9 CORPORATE GOVERNANCE CODE

Quadiant has long pursued an active corporate governance policy. The Company refers to the French Corporate Governance Code for listed companies established by Afep-Medef, which is available on the Medef website (<http://www.medef.com/>) ("Afep-Medef code").

Implementing the "comply or explain" principle of the Afep-Medef code

Under the "comply or explain" rule set out in article L.22-10-10, 4° of the French commercial code and article 28.1 of the Afep-Medef code, Quadiant considers that its practices comply with the code's recommendations, except for the following recommendations:

Afep-Medef recommendation not applied

According to article 18.1, the remuneration committee "must not include any executive officer and must mostly consist of independent directors. It is recommended that the Chairman of the committee should be independent and that one of its members should be an employee representative director".

According to article 21, "In the absence of legal provisions to the contrary, the director should personally be a shareholder and, by virtue of the provisions in the by-laws or the internal rules, hold a minimum number of shares that is significant in relation to the compensation awarded to them. If he or she does not hold these shares when assuming office, he or she should use his or her compensation to acquire them. The director will notify the corporation of this information, which will publish it in its report on corporate governance."

Quadiant's position and explanation

The Board of directors has decided not to appoint an employee representative director at the Remuneration committee since such committee has been merged in 2018 with the Appointments' committee. In practice, the employee representative directors effectively participate in all meetings of the Board during which the remuneration policy of corporate officers is reviewed and discussed, but since the Appointments and remuneration committee deals with broader subjects than the remuneration policy, it has been decided that employee representative directors will not participate in this committee. This explanation has been communicated to the *Haut Comité de gouvernement d'entreprise*.

According to article 5 of the internal rules of the Board, "On appointment, each Director commits: to acquiring a minimum number of shares in the Company representing a value roughly equivalent to the remuneration he/she received over a year as a director". The Board of directors follows ownership guidelines as set forth in the Internal Rules of the Board. For those Board members who do not have the requisite ownership, active discussions are held with those Board members who still progressively increasing their ownership.

2.1.10 RULES OF PROCEDURE OF THE BOARD AND COMMITTEES

The internal rules of the Board and committees were drafted on 30 March 2004 and last updated on 22 March 2024.

The internal rules of the Board were amended during the Board meeting of 27 June 2019 to take into account the appointment of an independent Chairman of the Board and the expiry of the Lead director's term of office. As explained in section 2.1.2 above, the Board of directors' meeting of 13 December 2019 also introduced a limitation on the powers of the Chief Executive Officer in the rules of the Board. The amendments approved by the Board meeting of 23 September 2021 permit under certain exceptional circumstances to retain, for a temporary period, the appointment of a chair of the Appointments & remuneration committee not qualifying as an independent director, to allow an orderly succession. The amendments approved by the Board meeting of 24 March 2023 authorised a fifth member in the Strategy and corporate social responsibility committee.

The amendments approved by the Board meeting of 22 March 2024 set out the new roles and responsibilities of the Board of directors and its committees in relation to environmental, social and governance topics in line with the corporate sustainability reporting directive requirements. The internal rules were also addressed to prepare the arrival of a legal entity as director.

As of March 2024, the new tasks of the committees provided for in the revised version of the internal rules of the Board are, for instance:

- The Audit committee monitors matters relating to the drafting and the audit of sustainability information, specifically: (i) the drafting process of sustainability information, (ii) the effectiveness of internal control and risk management systems, (iii) the assurance of sustainability information, and (iv) the independence of the statutory auditors or independent audit services providers.
- The Appointments and remuneration committee is tasked with (i) managing environmental, social and governance topics related to human resources and (ii) designing remuneration policies considering environmental, social and governance criteria and performance (e.g., long term incentive (LTI) plans, variable remuneration).
- The Strategy and environmental, social and governance committee is tasked with providing the Board of directors with its opinions and recommendations on (i) the definition of the environmental, social and governance strategy, policies and programs, their application and execution (e.g. ESG governance, climate change strategy, sustainable solutions' strategy, ESRS⁽¹⁾ gap analysis action plan); (ii) the implementation of the environmental, social and governance internal framework, reporting tools and reporting process to ensure KPIs are reliable, robust and accurate, (iii) the assessment of the most material ESG topics in the double materiality assessment (risks, opportunities and impacts), (iv) the compliance with ESG regulations and, (v) the ESG performance.

¹⁾ ESRS: European Sustainability Reporting Standards.

The aim of the rules of procedure is to set out the role and operating procedures of the Board of directors, together with the rights, obligations and recruitment practices of its members, within the scope of their actual skills, in order to ensure the Company's long-term future, its smooth running and the sustained creation of value for shareholders, employees and the Company's other stakeholders. The rules of procedure can only be approved and amended by decision of the Board of directors.

The following are scheduled to the rules of procedure:

- the rules of the Appointments and remuneration committee;
- the rules of the Strategy and environmental, social and governance committee;
- the rules of the Audit committee;
- the definition of independent director, as provided by the Appointments and remuneration committee;
- the directors charter, which is provided also in the rules of procedures of the Board of directors;
- the stock market code of ethics last updated in June 2022;
- the market abuse regulation committee ("MAR committee") was created in 3 February 2021 in order to oversee the treatment of inside information within the Company and assist the Board of directors and the management team in implementing the stock market code of ethics.

In addition to the duties attributed to the Board by the law and the articles of association, the Board approves strategic decisions, budgets, material acquisitions and divestments, and restructuring plans impacting the Company as a whole. It also ensures the quality and reliability of financial and non-financial information and of communications to shareholders.

In particular, the Board of directors' duties include:

- approving this corporate governance report, the organization and preparation of the Board's work and on internal control procedures;
- defining the role of an independent director;
- defining the remuneration policy for the Company's executives; and
- making necessary changes to the rules of procedure governing the various committees.

The specialized committees make proposals to the Board relating to their field of expertise.

The rules of procedure set out the rights and obligations of directors, particularly as regards to attendance, confidentiality of information, directors' information rights and restrictions in trading on Quadiant securities.

Rules on managing conflicts of interest are set out in the directors' charter: "article 5 – Independence and conflict of interests: directors endeavour to avoid any conflict of interest that could arise between their moral and material interests and those of the Company. They inform the Board of directors of any conflict of interest in which they could be

involved. Where they cannot avoid a conflict of interest, directors refrain from taking part in debates and any decision on the matters concerned."

In addition, all directors must file an annual declaration with Quadiant confirming the absence of any conflict of interests and that they have not been found guilty of fraud, managing a company placed in receivership or been declared bankrupt.

The rules of procedure specify that a minimum of four Board meetings are to be held per fiscal year and that each director must hold Quadiant securities worth at least one year of remuneration paid to directors.

They also set out the rules for transcribing the minutes of meetings.

The full text of the internal rules of the Board and committees is available on the Company's website by clicking on the following link: Internal rules of the Board and committees. It is also available at the following address: <https://invest.quadiant.com/en/regulated-information>.

2.1.11 2023 BOARD AND COMMITTEES ASSESSMENT

In compliance with the internal rules of the Board of directors and article 11.3 of the Afep-Medef code, the composition of the Board of directors and Committees and its activity are assessed and debated once a year at the initiative of the Chairman of the Board of directors and the chairwoman of the Appointments and remuneration committee. The purpose of the annual evaluation is to continuously improve the composition and operation of the Board and its committees, and the overall governance of the Company. The last evaluation was performed by an independent external consultant, Egon Zehnder⁽¹⁾ between November 2023 and January 2024.

The evaluation notably includes:

- a review of the composition, organization and operation of the Board and Committees;
- a scrutiny of the individual attendance and effective participation of directors at Board meetings;
- a review of the skills of Board members considering future directorships and the staggering of the renewal of mandates;
- the review of the diversity policy and the skills matrix to ensure that the overall composition of the Board is consistent with the criteria validated by the Board (including the criteria of availability, staggering of terms of office and size of the Board).

In December 2023, Egon Zehnder sent to each Board member a questionnaire designed for Quadiant to perform the assessment of the individual contribution of Board members and conducted individual interviews. Egon Zehnder reported its evaluation to the Chairman of the Board and the chairwoman of the Appointments and remuneration committee. Conclusion of the assessment was presented to the Appointments and remuneration committee, in the presence of the Chief Transformation and People Officer, and then they were presented to the Board in February 2024.

¹⁾ Egon Zehnder was engaged to perform an evaluation of the competencies and skillset.

The evaluation revealed a positive assessment of the functioning of the Board of directors and its committees. Overall, Board members acknowledged that the Board is functioning well, in normal and in crisis time (*i.e.*, during Covid 2019) and noticed the improvements made through the years. The conclusion also highlighted strengths, such as the high level of engagement of each Board member, the feeling of trust among them, the good relationship with the CEO and the Chairman of the Board and the ratios of independents and gender representation. Additionally, Board members bring different skills which allows healthy conversation and debates during Board's meetings.

The following ways of potentially improving the functioning of the Board of directors were identified:

- Board members' skills: The following competencies and experiences could usefully complement the Board composition to be aligned with Quadient's strategy going forward: increase Technology-related competencies (e.g., Artificial Intelligence, data governance, cybersecurity) with the objective to have more forward-looking discussions on long-term strategic versus medium term tactical topics, increase logistics and transportation competencies and Corporate Social Responsibility (CSR) skills.
- composition of the Board: with currently twelve members, many Board members believe the Board would function better if its size were reduced by one or two members.

2.1.12 DIRECTORS' CHARTER

Continuing the initiatives undertaken in recent years on good corporate governance practices, the directors' charter was approved on 28 March 2011. The directors' charter was last updated on 22 March 2024.

It allows all directors to use their full skills and ensures that each of them makes an effective contribution, while adhering to the rules of independence, ethics and integrity that are expected from them. The nine articles of the directors' charter set out a number of principles:

- article 1 – Administration and corporate interest;
- article 2 – Compliance with laws and the articles of association;
- article 3 – Exercise of office: guiding principles;
- article 4 – Independence and duty of expression;
- article 5 – Independence and conflict of interests;
- article 6 – Integrity, loyalty and duty of confidentiality;
- article 7 – Professionalism and involvement;
- article 8 – Professionalism and efficiency;
- article 9 – Application of the charter.

Quadient has also drawn up an ethics code designed to help employees and stakeholders by providing a framework for business decisions and activity. It includes its own references in terms of requirements and practice, as well as providing useful tools and resources for all Group employees.

In addition, various internal whistleblowing systems have been implemented in the different countries to detect, penalize and prevent repetition of conduct or situations that are contrary to the ethics approach of Quadient. In 2019, the Group created an ethics committee, which works in particular to monitor the whistleblowing system more widely through the use of appropriate tools. The ethics committee is chaired by the chief people and transformation officer who has access to Company's Audit committee.

2.1.13 STOCK MARKET CODE OF ETHICS

In terms of stock market ethics, the rules of procedure define the rights and commitments of directors with a particular emphasis on respecting the confidentiality of information received and restrictions on trading Quadient shares.

The stock market code of ethics has been updated and approved by the Board on 16 June 2022. The main change in the code is the creation of Quadient's market abuse regulation committee which oversees the treatment of inside information within the Company and assists the Board of directors and management team in implementing the code.

The purpose of the code is to draw the attention of employee and occasional insiders to applicable laws and regulations in this respect, as well to the administrative and/or criminal sanctions associated with non-compliance with these laws and regulations and implementing preventive measures to enable each and every one to invest in Quadient securities in full compliance with rules regarding market integrity.

The stock market code of ethics sets out the rules for corporate officers, informed employees and occasional insiders, and includes:

- a summary of the existing laws and regulations in the field of stock market ethics together with the corresponding administrative and/or criminal penalties;
- a definition of the key concepts (inside information, informed employees, etc.);
- clarifications and examples related to the notion of inside information;
- a summary of the confidentiality obligations imposed upon corporate officers, informed employees and occasional insiders;
- clarifications regarding the no-trading rules and an appendix containing a schedule of (i) the periods during which trading is authorized – the table of red and green periods – and (ii) the embargo periods related to Quadient's financial communication;
- clarifications, for the purposes of transparency and caution, of the Company's disclosure obligations vis-à-vis the AMF, with an appendix containing a model declaration;
- a summary of specific provisions relating to stock options and free shares;
- every corporate officer and informed employee must sign an undertaking certifying that he/she has read and understood the stock market code of ethics and promises to comply with the terms of the code.

2.2 Board Committees

The attendance rate of directors at each committee during the fiscal year 2023 is detailed below:

	Audit committee Chair: É. Courteille	Strategy and environmental, social and governance committee Chair: R. Troksa	Appointments and remuneration committee Chair: M. Bejar
Martha Bejar		100%	100%
Hélène Boulet-Supau	100%		100%
Éric Courteille	100%		
Vincent Mercier		100%	100%
Richard Troksa		100%	
Nathalie Wright		100%	
Paula Felstead	100%		
Sebastien Marotte			80%
Christophe Liaudon	100%		
Nathalie Labia ^(a)		100%	

(a) Representing the employees. Nathalie Labia attended 100% of the committee meetings until replaced as Board director by Valerie Colin, who has not been appointed Strategy and environmental, social and governance committee member.

With a view to optimize the effectiveness of the committees and taking into account the Board evolution, the composition of the committees going forward will be the following ⁽¹⁾.

Changes in the composition of the Board committees during the fiscal year 2023:

- Audit committee:
 - Éric Courteille was renewed as member and chairman of the Audit committee in June 2023.
 - Christophe Liaudon has been reappointed to the Audit committee in September 2023.
- Strategy and environmental, social and governance committee:
 - Nathalie Labia was a member of the Strategy and environmental, social and governance committee from January 2023 until August 2023.

Changes in the composition of the Board committees after the end of the fiscal year 2023:

- Audit committee:
 - In line with best practices regarding independence of the Audit committee, Hélène Boulet-Supau has been appointed chairwoman of the Audit committee (subject to the renewal of her mandate as director in June 2024) replacing Éric Courteille who remains member of the Audit committee, for continuity reason
 - Christophe Liaudon was a member of the Audit committee until March 2024.

• Appointments and remuneration committee:

- Sébastien Marotte was a member of the Appointments and remuneration committee until March 2024.
- Hélène Boulet-Supau was a member of the Appointments and remuneration committee until March 2024.
- Nathalie Wright has been appointed to the Appointments and remuneration committee in March 2024.
- Vincent Mercier: in order to facilitate committee continuity, it is proposed the re-election of Vincent Mercier to the Board of Directors until 31st December 2025. Subject to such re-election, he will continue to be a member of the Appointments and remuneration committee.

• Strategy and environmental, social and governance committee:

- Martha Beja was a member of the Strategy and environmental, social and governance committee until March 2024,
- Vincent Mercier was a member of the Strategy and environmental, social and governance committee until March 2024,
- Bpifrance Investissement has been appointed to the Strategy and environmental, social and governance committee in March 2024,
- Éric Courteille has been appointed to the Strategy and environmental, social and governance committee in March 2024.

¹⁾ Subject to the Annual General Meeting approval of Directors' appointment.

2.2.1 APPOINTMENTS AND REMUNERATION COMMITTEE

Indicators	2023	2022
Number of meetings	5	6
Average attendance rate	95%	100%
Number of members	4	4
% of independent directors	75%	75%

As of 31 January 2024, this committee was composed of four directors, three of which are independent and is not composed of any executive corporate officer. The committee met 5 times in 2023 with a 95% attendance rate. The average length of meetings was 2 hours and 07 minutes. This committee was composed of Vincent Mercier, Hélène Boulet-Supau, Martha Bejar, and Sébastien Marotte.

The Appointments and remuneration committee is in charge of:

- proposing the definition of independent director and, where necessary, issuing an opinion on the independence of a director and suggest to the Board any changes in its composition;
- preselecting candidates for the Board of directors according to various criteria relevant to the Company's need;
- ensuring the adequacy of the current composition, to the desirable evolution of the Board of directors and to the Group's strategy;
- maintaining the required number of independent directors on the Board;
- setting a succession plan for the Chairman and the Chief Executive Officer (emergency and long-term succession plan);
- considering all matters relating to the rights and obligations of members of the Board of directors;

- proposing to the Board of directors the remuneration policy for the Chairman and the Chief Executive Officer, including retirement, end-of-career or termination payments, various benefits and award of stock options and free shares;
- recommending the remuneration policy for directors and the way in which it is to be allocated, based on the contribution of each of the members to the Board and to the specialized committees including *ad hoc* committees from time to time;
- examining the Group's compensation policy and the benchmark of the Executive Committee (CEO direct reports);
- reviewing the figures on remuneration, which will be published in this report and in the annex to the financial statements.

The committee is also informed by General Management of the level of remuneration of the Company's senior leaders.

The Appointments and remuneration committee primarily interacts with General Management and the human resources department. It may commission any specific study that it deems necessary and may involve external experts. In any case, it may refer to salary surveys and relevant benchmarking conducted by the human resources department.

When resolving on remuneration, committees are preceded by preparatory meetings between the chairman of the committee, the chief people and transformation officer and, where applicable, the Chief Executive Officer.

The main topics discussed at the Appointments and remuneration committee meetings in 2023 were:

Composition and operation of the Board of directors and the various committees

- Annual assessment and review of the composition of the Board and review of the skills matrix
- Review of independence and key competencies of its members
- Follow up of improvement orientations suggested by the Board's external assessment
- Validation of the Board's committees composition
- Appointment process of the Board members
- Chairman and Chief Executive Officer succession plan
- Acknowledgement of appointment of directors representing the employees

Compensation policy

- Chairman and directors' remuneration policy
- Remuneration policy of the Chief Executive Officer, in particular the objectives of the variable portion, and evaluation of the achievement of the 2023 objectives
- Review of long-term remuneration plans
- Group bonus objectives for the year 2023
- Additional pension of the Chief Executive Officer
- Exceptional remuneration of the Chief Executive Officer
- Long-term incentive plan
- Review of the executive compensation policy

Miscellaneous

- Intelligent Communication Automation human resources review
- Preparation of the governance roadshow

2.2.2 AUDIT COMMITTEE

Indicators	2023	2022
Number of meetings	4	3
Average attendance rate	100%	100%
Number of members	4	4
% of independent directors ^(a)	100%	100%

(a) Excluding the directors representing employees in accordance with the recommendations of the Afep-medef Code

The Board is assisted by an Audit committee, composed of four directors as of 31 January 2024, three of which are independent members, which met 4 times in the fiscal year 2023 with an attendance rate of 100%. On average, the meetings lasted 2 hours and 43 minutes. The Audit committee was composed of Éric Courteille (chair), Hélène Boulet-Supau, Paula Felstead and Christophe Liaudon (employee representative director).

The Audit committee monitors all matters relating to the drafting and auditing of financial and accounting information, and in particular:

- the process of preparing financial information, notably by examining the scope of the consolidated companies;
- the effectiveness of internal control and risk management systems, their application and the implementation of corrective measures, where needed;
- legal audit by the statutory auditors of the annual financial statements and, where appropriate, the consolidated financial statements;
- the competence and independence of the external experts used by the Group.

In this context, the tasks of the committee are:

- to review the scope of consolidation and examine all draft consolidated and Quadiant S.A. financial statements and related reports which will be submitted to the Board for approval;
- to select a consolidation frame of reference, to ensure the appropriateness and permanence of the accounting

policies used to draw up the consolidated and Quadiant S.A. financial statements and to ensure the appropriateness of the treatment of significant operations at Group level;

- to ensure with respect to the General Management that all legal and financial communications are correctly performed with respect to stock market authorities;
- to assess the level of satisfaction of statutory auditors with the quality of information received from the Company's departments when performing their task and gather comments from management regarding the degree of sensitivity of the statutory auditors to the Group's business and its environment;
- to examine the key points of the statutory auditors' audit, any information brought to its knowledge with respect to operations and transactions by the Company that raises ethical issues, and transactions which, due to their nature and the person concerned, may reveal a conflict of interests;
- to ensure that key risks are identified, managed and brought to its attention. To this end, it examines the internal control and risk management systems, the internal audit program, monitors its development and the results of action plans, and draws the Board's attention to any improvements that have been made or remain to be made;
- to issue an opinion on the appointment or renewal of the statutory auditors; and
- to ensure the statutory auditors' independence and objectivity.

The main topics discussed at the Audit committee meetings in 2023 were:

Financial position	- Organization of work for the annual closing - Review of the annual financial statements - Review of the six-months financial statements - Review of the management report - Review of the statutory auditors' assignments and fees - Review of acquisition price allocation - Review of deferred taxes - Examination of off-balance sheet commitments - Review of the key points of the statutory auditors' audit - Review of the impacts of acquisitions and divestments - Review of tax aspects and changes in ongoing litigation - Review of services, excluding audit work, provided by the EY network - Review of impairment tests
Internal audit and risk management	- Review of internal audit procedures - Review of cybersecurity risk and assessment - Monitoring of the programs carried out by internal audit - Risk mapping - Review of corruption risk and anti-corruption framework - Investigation of the fraud in Italy and Switzerland
Corporate Sustainability Reporting	- Review of the new requirements under corporate sustainability reporting directive (CSRD) and the role of the Audit committee

The Audit committee primarily interacts with the General Management, the finance department, the head of internal audit and the Company's statutory auditors. The statutory auditors attend every audit committee meeting.

The Audit committee can commission specific studies as required and may involve external experts.

2.2.3 STRATEGY AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Indicators	2023	2022
Number of meetings	6	4
Average attendance rate	100%	100%
Number of members	4	5
% of independent directors ^(a)	75%	75%

^(a) (Excluding the directors representing employees in accordance with the recommendations of the AfeP-medef Code)

Since 24 September 2018, the Board has been assisted by a Strategy and corporate social responsibility committee. On 22 March 2024, upon recommendation of the committee, the Board of directors has approved to change the name of the committee to "Strategy and environmental, social and governance committee".

In 2023, this committee was composed of Richard Troksa (chair), Vincent Mercier, Martha Bejar, Nathalie Wright and Nathalie Labia (from 25 January 2023 until August 2023 as employee representative director). The committee was composed of three independent directors and met 6 times in 2023 with an attendance rate of 100%. On average, the meetings lasted 3 hours and 47 minutes.

The committee's task includes reviewing and making recommendations on:

- The strategic focus of Quadient's business and key investments;
- The development projects of strategic importance to the Company, in particular in terms of organic growth and inorganic opportunities; and

- The guidelines, resources and achievements related to the environmental, social and governance responsibility policy of the Company.

In addition to strategy, the Strategy and environmental, social and governance committee is responsible for the following subjects: review of the extra-financial performance statement, extra-financial risks, the due diligence plan under Article L.225-102 of the French commercial code for the companies concerned, and taxonomy.

The Strategy and environmental, social and governance committee mainly interacts with members of the executive management. It may also engage with members of the operational or functional divisions of the Company.

The committee carries out its tasks independently and may, where appropriate, be assisted by external consultants. The committee invites other directors from time to time to participate in the committee's debates. The Chairman of the Board of directors and the CEO are invited to all Strategy and environmental, social and governance committee meetings to participate in the committee's debates.

The main topics discussed at the Strategy and environmental, social and governance committee meetings in 2023 were:

Strategy

- Monitoring the “Back to Growth” strategy
 - Reviewing the selection and plans on key investments
 - Regular review of each solution's operational performance, following the key performance indicators communicated to investors.
 - M&A governance and opportunity discussions in the framework of “Back to Growth” strategy
 - Review of the main acquisition and divestment projects, including strategy and financial evaluation within the capital allocation process
 - Intelligent Communication Automation business review
 - Mail-Related Solutions business review
 - Parcel Lockers Solutions business review
 - Three-year plan strategy review by Solutions
-

Corporate social responsibility and Environment, social and Governance

- Annual review of the Company's corporate social and responsibility strategy (2022 recap and looking to 2023) including the results achieved and the relevance of adapting the action plan or changing the objectives
 - Mid-year corporate social and responsibility update
 - Review of corporate social and responsibility's reporting obligations, achievements, communication and ESG ratings (e.g. Vigeo, Gaia Research, ISS ESG, EcoVadis, CDP)
 - Debrief of committee chair meeting, including corporate social and responsibility governance for 2024
 - Review of the new requirements under Corporate Sustainability Reporting Directive and the role of the Board of directors and committees
-

2.3 Remuneration report

2.3.1 REMUNERATION PAID TO THE DIRECTORS AND CORPORATE OFFICERS IN 2023

The total remuneration and benefits in kind paid by Quadient S.A. and the companies it controls, to the directors, Didier Lamouche, Chairman and Geoffrey Godet, Chief Executive Officer, during the fiscal year 2023, which ended on 31 January 2024, were awarded based on the resolutions approved by the General Meeting of 16 June 2023. These resolutions approved the principles and criteria for setting, allocating and awarding the various elements of this remuneration.

At Quadient S.A., the remuneration policy for the executive director is determined by the Board of directors, upon the Appointments and remuneration committee's recommendation.

The Board of directors and the Appointments and remuneration committee refer to the recommendations of the Afep-Medef code when establishing the remuneration and benefits awarded to Quadient's executive directors. In accordance with these recommendations, they ensure that the remuneration policy complies with principles of comprehensiveness, balance, comparability, consistency, transparency, and moderation, also considering market practices and, more generally, Quadient's corporate interest.

2

2.3.1.1 Remuneration paid to the directors in 2023

■ **TABLE #3 AFEP-MEDEF CODE: TABLE ON THE REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS**

(In euros)	31 January 2024	31 January 2023
Remuneration of directors		
Martha Bejar	64,500 ^(a)	58,500
Hélène Boulet-Supau	51,500	51,500
Valérie Colin, employee representative director, who replaced Nathalie Labia	12,958	0
Éric Courteille	54,500	52,500
Paula Felstead	39,333	41,500
Christophe Liaudon, employee representative director	41,500 ^(b)	31,500
Nathalie Labia, employee representative director, replaced by Valérie Colin	28,542	31,500
Sébastien Marotte	39,333 ^(c)	31,500
Vincent Mercier	54,500	56,500
Richard Troksa	54,500	52,500
Nathalie Wright	40,000	38,833
TOTAL REMUNERATION OF NON-EXECUTIVE DIRECTORS	481,166	446,333
Other remuneration	-	-
Chairman's remuneration as a director	30,000	30,000
Chief Executive Officer's remuneration as a director	30,000	30,000
TOTAL REMUNERATION OF NON-EXECUTIVE DIRECTORS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER	541,166	506,333
Maximum amount authorized by the General Meeting	580,000	555,000

(a) Martha Bejar was appointed as chairwoman of the Appointments and remuneration committee and attended a higher number of ad hoc committee.

(b) Christophe Liaudon was appointed as Audit committee member.

(c) Sébastien Marotte was appointed as Appointments and remuneration committee member.

In relation to their respective mandate as director, the Chairman of the Board and the Chief Executive Officer receive each a fixed amount of 30,000 euros per year for 100% attendance. The Chairman and Chief Executive Officer regularly attend regular and *ad hoc* committee meetings as

part of their mandates. As part of their mandate, they do not receive any remuneration due to the regular committees, and they have declined additional remuneration for their attendance to *ad hoc* committees.

2.3.1.2 Remuneration paid to the Chairman of the Board and to the Chief Executive Officer in 2023

OVERVIEW

The total remuneration and benefits in kind paid and owed by Quadiant S.A. and the companies it controls to Didier Lamouche during the fiscal year 2023, which ended on 31 January 2024, is allocated as follows:

Overview of the components of Didier Lamouche's remuneration in his capacity as Chairman (In thousands of euros)	Paid or due as of 31 January 2024
Fixed remuneration	120.0
Annual variable remuneration	-
Multiannual variable remuneration	-
Remuneration as a director	30.0
Benefits in kind (company car, unemployment insurance for business directors)	-
Exceptional remuneration	-
Remuneration linked to the assumption or termination of duties	-
Valuation of performance shares granted during the fiscal year	-

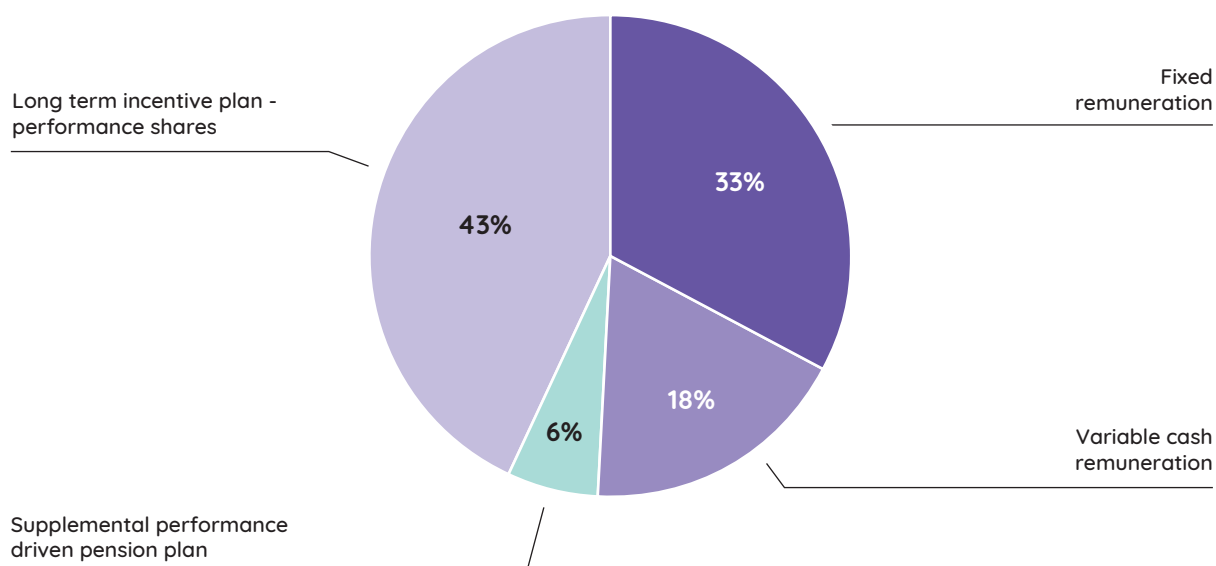
The total remuneration and benefits in kind paid and owed by Quadiant S.A. and the companies that it controls to Geoffrey Godet during the fiscal year 2023, which ended on 31 January 2024, is allocated as follows:

Overview of the components of Geoffrey Godet's remuneration in his capacity as Chief Executive Officer (In thousands of euros)	Paid or due as of 31 January 2024
Annual fixed remuneration ^(a)	paid: 650.0 due: 650.0
Annual variable remuneration	paid: 319.2 target: 650.0
Multiannual variable remuneration	-
Remuneration as a director	30.0
Benefits in kind (company car, unemployment insurance for business directors, supplementary retirement plan paid in cash)	paid: 108.6 due: 208.0
Compensation linked to the assumption or termination of duties	-
Valuation of performance shares awarded during the fiscal year ^(b)	991.5

(a) The fixed remuneration is divided in two parts: 487,500 euros paid in France and 170,625 United States dollars paid in the United States. The EUR/USD exchange rate used is the budget rate, i.e. 1.05 for the fiscal year 2023.

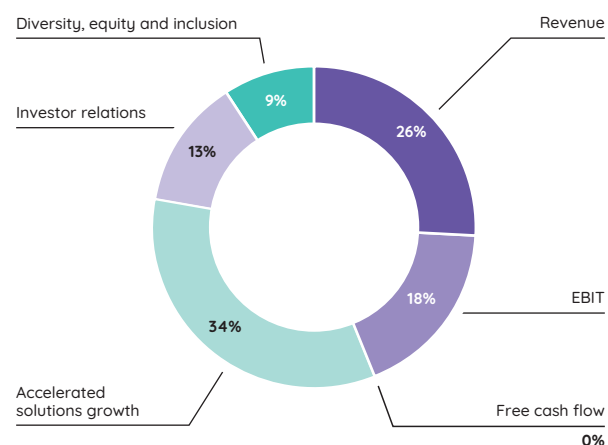
(b) The valuation includes 2023 Long-Term Incentive Plan grant as well as vesting of 2020 plan effective 16 January 2024.

CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2023 ACTUAL TOTAL REMUNERATION ^(A)

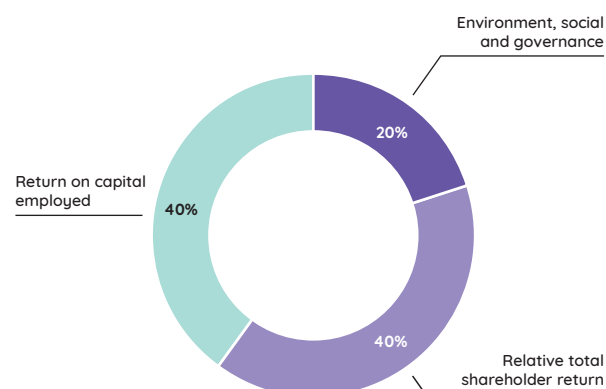


(a) Pursuant to article L.22-10-8 of the French commercial code, it is hereby specified that the payment of variable components to Geoffrey Godet for the fiscal year 2023 shall be subject to approval of the General Meeting called to vote on the financial statements for the fiscal year which ended on 31 January 2024.
With regard to the Long Term Incentive Plan (LTIP) 2023, the grant was composed by 46,000 performance shares and 2,823 phantom shares in respect of the LTIP 2023 rules approved during the 15 June 2023 meeting of the Board of directors.

CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2023 DETAILS OF THE ACTUAL VARIABLE CASH REMUNERATION



CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2023 DETAILS OF THE LONG TERM INCENTIVE PLAN



THE CHIEF EXECUTIVE OFFICER'S 2023 ANNUAL
VARIABLE REMUNERATION

The Chief Executive Officer's annual variable remuneration is dependent on the Group's results as well as his individual performance. CEO's objective weighting is based on quantitative financial criteria for 70% of the target bonus, supplemented by qualitative individual performance objectives for the remaining 30%.

As illustrated below, and subject to approval of the General Meeting to be held on 14 June 2024, the Chief Executive Officer's bonus achievement for the fiscal year 2023 and paid in 2024 stands at 58.4% of his annual variable remuneration target for the fiscal year. The total amount of 379,359 euros, is for 284,519 euros paid in France and for 99,582 paid in US dollars in the United States.

(In thousands of euros)	Weight	Criteria	Threshold (50.0% ^(a))	Target (100% ^(a))	Maximum (150% ^(a))
	30%	Revenue	1,078.8	1,112.2	1,134.4
	30%	EBIT ^(a)	156.4	166.4	173.1
	10%	Free Cash Flow ^(b)	63.1	70.1	84.1

(a) Payout

(b) Before acquisition-related expenses, excluding innovation expense and assuming a constant scope.

(c) Cash flow after capital expenditure.

The achievements for the fiscal year 2023 of the quantitative criteria of the Chief Executive Officer's bonus, at the 2023 exchange rate, are the following:

(In thousands of euros)	Weight	Criteria	Performance	Bonus Achievement
	30%	Revenue	1,094.3	21.9%
	30%	EBIT ^(a)	156.4	15.0%
	10%	Free Cash Flow ^(b)	53.7	0%
TOTAL				36.9%

(a) Before acquisition-related expenses, excluding innovation expenses and assuming a constant scope.

(b) Cash flow after capital expenditure.

In addition, the Appointments and remuneration committee estimated that the individual (qualitative) performance objectives' achievement rate was 108.3% compared to a maximum 150%.

For the fiscal year 2023, the performance related to the qualitative objectives assigned to Geoffrey Godet was as follows:

- 20% - Accelerate the growth of the Company and drive the strategy of each of the solutions in alignment with market guidance. This target was split between:
 - 10% - Continue Intelligent Communication Automation's (ICA) transformation and successfully execute the launch of ICA hub in 2023, measured by R&D roadmap and budgeted ARR ⁽¹⁾ incremental acceleration;
 - 5% - Achieve 2023 ambition for cross-selling ICA products via the Mail-Related Solutions (MRS) channel;
 - 5% - Execute and achieve deployment of large deals, together with scaling open network in the UK.

The ICA one platform strategy became a reality with more than 4,000 customers live using the new platform or more than 20,000 unique users. Cross-sell level is more than 20% higher than in full-year 2022 due to increase focus on go-to-market execution. 81% of ICA customers are SaaS ⁽²⁾ users across all portfolio.

The roadmap for the hub is on time with 75% of North America region on-boarded. The United Kingdom and Europe were launched in January 2024. E-invoicing module and service have been developed on the hub for utilization of all solutions. Finally, the "Single Sign On" service is now in place across all solutions and will be used by the rest of Quadient. The objectives have been achieved while R&D staffing has been optimized.

95% budgeted ARR has been achieved in fiscal year 2023. Churn is under control, showing a positive trend for the future.

34% of ICA booking has been generated by MRS cross-sell. Cross-sell bookings reached 88% of target for the fiscal year 2023. The United Kingdom and North America registered their highest numbers in the fourth quarter of the fiscal year.

As regards Parcel Locker Solutions (PLS) the United Kingdom, the United States, Japan and France witnessed commercial wins during the fiscal year 2023. The total installed base increased from 18,000 lockers at the end of fiscal year 2022 to 20,200 at the end of fiscal year 2023.

- 5% - Investor Relations. Prepare the 2024-2026 strategy and engage effectively with investors accordingly. More specifically, continue to nurture strategic discussions for both external stakeholders and the Board, with investor relations strategy that should have culminated in a successfully executed 2023 Capital Markets Day. Improve Board and investor dynamic, cultivating a positive and collaborative environment for the Board and investors.

¹⁾ Annualized Recurring Revenue.

²⁾ Software as a Service.

During the fiscal year 2023, two new core investors have joined Quadient's capital. As of 31 January 2024, Bpifrance Participations held 8.12% and Vesa Equity Investment at 12.19%.

More than 130 investor meetings has been held, with more than 60% of Quadient's capital met, completed by several successful initiatives including the creation of the letter to shareholders published three times during the fiscal year 2023.

A continuous dialogue with financial analysts has been achieved.

Share price increased more than 21% over the fiscal year 2023, representing more than 20% relative increase over CAC Mid & Small.

- 5% - Diversity & inclusion. Maintain the inclusive and EPIC culture of Quadient by achieving diverse candidates slate process implemented for open positions by the end of 2023 and implementing a quarterly Pulse survey, with continuous improvement of inclusion index throughout 2023.

The role of global diversity, equity and inclusion director has been created with a successful hiring in June 2023. Diversity partnerships were established as well as access to job boards with Women in Sales Everywhere (WISE) and MyGwork.

Several projects and initiative have been completed like (not exhaustive list) concrete deliverables in diverse candidate slate program, job advert created with consistent, inclusive language, DE&I landing page on current career website, inclusive hiring training curriculum with 100% participation of the talent acquisition team and skills based hiring trial with gender balanced candidate slates in International operations.

Quadient made a strategic shift beyond gender diversity ambitions, adopting a more comprehensive approach to diversity, equity, and inclusion. Quadient defines diversity as the representation of a broad range of identities, backgrounds, cultures, and perspectives, with a commitment to recognizing and celebrating differences that make us unique.

THE CHIEF EXECUTIVE OFFICER'S 2023 SUPPLEMENTAL PENSION SCHEME

In addition to the defined-contribution supplemental pension scheme (article 83 of the French general tax code) the Board of directors, on the recommendation of the Appointments and remuneration committee and in accordance with the resolutions of the General Meeting of 16 June 2022, approved the principle of granting the Chief Executive Officer a supplemental pension scheme. This scheme is based on a payment made in cash that will represent 15% of his theoretical annual fixed and variable remuneration assuming objectives are met at 100%, such payment will be degressive in proportion to the achievement of such performance objectives. The percentage of achievement relating to the annual variable compensation of the Chief Executive Officer therefore applies to these payments, but would be capped at 100% of the objectives achieved.

On the recommendation of the Appointments and remuneration committee, the Board of directors, which determines the variable remuneration of the Chief Executive Officer based on performance for 2023, approved the payment of 85,356 euros to be paid in France and 29,875 US dollars to be paid in the United States, in respect of this supplemental pension scheme, for the fiscal year 2023. Pursuant to article L.22-10-8 of the French commercial code, it is hereby specified that this payment shall be subject to the approval of the General Meeting called to vote on the financial statements for the fiscal year 2023 which ended on 31 January 2024.

TABLE # 1 AFEP-MEDEF CODE: TABLE SUMMARISING THE REMUNERATION, OPTIONS AND SHARES AWARDED TO THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

(In thousands of euros)	31 January 2024	31 January 2023
Didier Lamouche - Chairman		
Remuneration due for the fiscal year	150.0	150.0
Valuation of multiannual variable remuneration awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of long-term incentive plans awarded during the fiscal year	-	-
TOTAL	150.0	150.0

(In thousands of euros)	31 January 2024	31 January 2023
Geoffrey Godet - Chief Executive Officer		
Remuneration due for the fiscal year	1,300.0	1,109.4
Valuation of multiannual variable remuneration awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of long-term incentive plans awarded during the fiscal year	877.5	531.0
TOTAL^(A)	2,177.5	1,640.4

The exchange rate EUR/USD used is the budget rate, 1.05 for fiscal year 2023 while it was 1.19 for fiscal year 2022.

(a) The 2023 fixed remuneration is divided in two parts: 487,500 euros paid in France and 170,625 US dollars paid in the United States.

TABLE # 2 AFEP-MEDEF CODE: TABLE SUMMARISING THE REMUNERATION OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

	31 January 2024		31 January 2023	
(In thousands of euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Didier Lamouche - Chairman				
Annual fixed remuneration	120.0	120.0	120.0	120.0
Annual variable remuneration	-	-	-	-
Multiannual variable remuneration	-	-	-	-
Remuneration as director	30.0	30.0	30.0	30.0
Benefits in kind	-	-	-	-
TOTAL	150.0	150.0	150.0	150.0
Geoffrey Godet - Chief Executive Officer				
Annual fixed remuneration ^(a)	650.0	650.0	650.0	649.3
Annual variable remuneration ^(b)	650.0	379.4	650.0	318.8
Multiannual variable remuneration	-	-	-	-
Remuneration as director	30.0	30.0	30.0	30.0
Supplemental pension plan and benefits in kind ^(c)	208.0	126.7	195.6	110.6
TOTAL	1,538.0	1,186.1	1,525.6	1,108.7

The exchange rate used is the budget rate, 1.05 for fiscal year 2023 while it was 1.19 for fiscal year 2022.

(a) The 2023 fixed remuneration is divided in two parts: 487,500 euros paid in France and 170,625 US dollars paid in the United States.

(b) The 2023 variable remuneration is divided in two parts: 284,519 euros paid in France and 99,582 US dollars paid in the United States.

(c) The payment of the supplemental pension plan is divided in two parts, 75% in euros in France and 25% in US Dollars in the United States.

TABLE # 4 AFEP-MEDEF CODE: SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FISCAL YEAR TO THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

(In euros)	Number and date of plan	Type of options	Valuation of options ^(a)	Number of options granted during the fiscal year	Exercise price	Exercise period
Didier Lamouche – Chairman	-	-	-	-	-	-
Geoffrey Godet – Chief Executive Officer	-	-	-	-	-	-

^(a) Valuation under IFRS standards.**TABLE # 5 AFEP-MEDEF CODE: SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER**

(In euros)	Number and date of plan	Number of options exercised during the year	Exercise Price
Didier Lamouche – Chairman	-	-	-
Geoffrey Godet – Chief Executive Officer	-	-	-

TABLE # 6 AFEP-MEDEF CODE: PERFORMANCE SHARES AWARDED DURING THE FISCAL YEAR TO EACH EXECUTIVE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

(In thousands of euros)	Number and date of plan	Number of shares granted during the year	Valuation of shares ^(a)	Vesting date	Availability date	Performance criteria
Didier Lamouche – Chairman	-	-	-	-	-	-
Geoffrey Godet – Chief Executive Officer	Performance share plan 16/06/2023	46,000 ^(b)	827.0	15/08/2026	15/08/2026	ROCE ^(c) RTSR ^(d) ESG ^(e)
Geoffrey Godet – Chief Executive Officer	Phantom share plan 17/06/2023	2,823	50.7	17/06/2026	17/06/2026	ROCE ^(c) RTSR ^(d) ESG ^(e)

^(a) Valuation under IFRS standards.^(b) i.e 0.13% of the share capital.^(c) Return on capital employed.^(d) The relative TSR measures the ranking position of Quadient - as a percentile - within the CAC Small + Mid 60 indexes during this 3-year period, taking the difference between the monthly average share prices of February 2023 and January 2026 and adding any dividend paid in the period.^(e) ESG targets for Quadient, being 43.1% reduction versus baseline.

As per 2023 policy, the Board of directors used the provision allowing the grant of phantom shares to the Chief Executive Officer as the Company share price was not high enough to guarantee a grant of 135% of his base salary, while remaining within the limitation of 10% of the total number of free shares allocated annually. To determine the number of phantom

shares to be granted, the Company used the average closing share price of the month preceding the Board of directors that approved the plan, which occurred on 16 June 2023. The vesting of the phantom shares is subject to the same conditions as the performance shares.

TABLE # 7 AFEP-MEDEF CODE: PERFORMANCE SHARES THAT HAVE BECOME AVAILABLE DURING THE FISCAL YEAR FOR THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

	Date of plan	Number of shares initially granted	Number of shares that met the vesting conditions
Didier Lamouche – Chairman	-	-	-
Geoffrey Godet – Chief Executive Officer	25/09/2020	40,000	5,868

Performance plan vesting details are shown in chapter 2.3.3.1.

2.3.1.3 Comparison of remuneration levels between corporate officers and employees in 2023**MANAGEMENT TEAM MEMBERS**

The management team is composed of the leaders from each support function, along with the business leaders within each solution and each operation by geographic region.

During the fiscal year 2023, Quadient continued the evolution of its management team as part of the streamlining of its organisation. The Group now relies on more international and specialized profiles.

On 1st February 2023, the management team, together with the Chief Executive Officer, were as follows:

Geoffrey Godet	Chief Executive Officer
Support functions	
Brandon Batt ^(a)	Chief People & Transformation Officer (interim)
Laurent du Passage	Chief Financial Officer
Steve Rakoczy	Chief Digital Officer
Tamir Sigal ^(b)	Chief Marketing Officer
Solutions	
Alain Fairise	Mail-Related Solutions
Chris Hartigan	Intelligent Communication Automation
Benoit Berson	Parcel Locker Solutions
Operations	
Stéphanie Auchabie	France and Benelux
Duncan Groom ^(c)	Germany, Austria, Switzerland & Italy and United Kingdom & Ireland
Ian Clarke	International

^(a) Brandon Batt was confirmed as Chief People and Transformation Officer in June 2023.

^(b) Tamir Sigal left the Company in December 2023 and Petra Wolf joined Quadient as Chief Marketing Officer in January 2024.

^(c) Role of Duncan Groom has been changed in January 2024 as Chief Operating Officer United Kingdom and Ireland. The accountability of Germany, Austria, Switzerland and Italy has been added to Ian Clarke.

The key task of the management team is to help execute the Company's strategic decisions and coordinate their implementation worldwide.

To achieve the objectives it has set, Quadient has invested and will continue to invest in diversity and improving gender parity, when looking at the representation of women in the Board of directors, in executive management and in the management team, and by creating a positive environment not only for its women employees, but also for people of diverse backgrounds.

Quadient's Chief Executive Officer and executive team members all have diversity and inclusion targets in their annual variable bonus qualitative objectives.

As a reference, Quadient renewed its diversity, equity, and inclusion policy on 1st September 2023. More information can be found here at the following address: diversity, equity, and inclusion policy ⁽¹⁾.

⁽¹⁾ Complete address: https://resources.quadient.com/m/71214f90304a2ad8/original/EN-Quadient-Inclusion-Policy-2023_Public.pdf.

Quadient's commitments are:

1. Leaders own and are accountable for the success and integration of diversity, equity, and inclusion (DE&I) into business strategy.
2. Empowering all employees to bring their whole selves to work in a working environment free of bullying, harassment, victimization and unlawful discrimination.
3. Establish a dedicated diversity, equity, and inclusion function.
4. Build diverse teams by attracting, recruiting, and hiring from various talent pools to enrich the organization.
5. Embed inclusion and diversity practices into all talent practices to ensure that Quadient has a global workforce of talent to grow its leadership pipeline across the globe.
6. Strengthen the employee networks, empowered communities, to support an inclusive culture and offer a sense of community and connection among employees; and to support diversity initiatives in the external community through Quadient's philanthropy program.
7. Promote awareness and understanding among all employees thereby developing an educated workforce on inclusion and diversity.

8. Set measurable objectives for diversity, equity, and inclusion which will be monitored and reviewed against the effectiveness of this policy and associated procedures.

The initiatives for DE&I put in place in 2023 are detailed in chapter 5, section "Nurturing a diverse, equitable and inclusive workplace" of this universal registration document.

PAY RATIO

This presentation was made in accordance with the terms of article L.22-10-9 of the French commercial code.

The ratios below have been calculated on the basis of fixed and variable remuneration, incentive schemes, profit-sharing and benefits in kind paid during the years in question, as well as free shares awarded during the same period and valued according to their fair value.

The calculation of averages and medians considers 1,020 employees for the fiscal year 2023, excluding executive committee. This scope covers employees who have been continuously compensated by one of Quadient's French entities and who were present for the entire fiscal year in question.

PAY RATIO FISCAL YEAR 2023

	31 January 2024	31 January 2023	31 January 2022	31 January 2021	31 January 2020
Chairman of the Board of directors					
Ratio of Chairman's remuneration/average employee remuneration	2.1	2.4	2.4	2.4	2.4
Ratio of Chairman's remuneration/median employee remuneration	2.7	3.0	3.1	3.1	3.0
Chief Executive Officer					
Ratio of Chief Executive Officer's remuneration/average employee remuneration	28.5	34.4	22.1	30.5	29.7
Ratio of Chief Executive Officer's remuneration/median employee remuneration	34.7	42.6	28.1	38.2	37.4
Employees of Quadient					
Change in average employee remuneration	+8.7%	(0.8)%	+0.7%	(2.8)%	+6.3%
Change in median employee remuneration	+11.6%	+1.8%	(0.8)%	(2.8)%	+4.8%
Financial performance of Quadient					
Change in revenue	(0.8)%	+5.6%	(0.5)%	(9.9)%	+4.7%
Change in current operating income	+4.5%	+3.5%	+2.3%	(17.1)%	(7.1)%

The decrease in the remuneration ratios relating to both the Chief Executive Officer and the Chairman of the Board of directors between 2023 and 2022 is due to the fact that the remunerations of both Geoffrey Godet and Didier Lamouche remained stable in 2023. In addition, there is the impact of the lower variable remuneration paid in 2023 to the Chief Executive Officer and related to the fiscal year 2022. The change between 2023 and 2022 in both average median employee remuneration is mainly due to a significantly higher number of employees (+29%) who have been granted

shares in 2023 versus 2022. Turnover has a limited impact. Considering the fixed remunerations only, the change of the median is of 6.8% and of the average is of 4.2%.

Finally, there are still a few differences in the methodology of calculations between 2022 and 2023. The migration between payroll systems completed in November 2022, will allow a perfect consistency next year with, for the first time, two identical databases.

As specifically regards Quadient S.A., the fiscal year 2023 ratio of the remuneration of the Chief Executive Officer versus the average employee is 13.8 (median 17.6). The same ratio concerning the Chairman of the Board of directors is 1.1 (median 1.4).

There is no change between 2022 and 2023 in the average employee remuneration. Median employee remuneration decreased by 12.1%

2.3.2 2024 REMUNERATION POLICY FOR THE DIRECTORS AND CORPORATE OFFICERS

At Quadient, the remuneration policy for all corporate officers is determined by the Board of directors based on proposals from the Appointments and remuneration committee.

The work of the Appointments and remuneration committee relating to the remuneration policy for corporate officers is organized through preparatory meetings between the chairperson of the committee, the chief people and transformation officer and, where appropriate, the Chief Executive Officer.

Members of the Board of directors and of the Appointments and remuneration committee are required, in the context of the preparation of the remuneration policy for corporate officers, to comply with rules relating to the management of conflicts of interests set out in article 3.b of the internal rules of the Board and committees and the principles set out in article 5 of the directors' charter. The Chairman and the Chief Executive Officer may participate in the work of the committee ruling on remuneration, except with respect to their own remuneration.

Each year, the Board of directors and the Appointments and remuneration committee evaluate and revise if necessary Quadient's overall remuneration policy in the context of the work of these two bodies.

In addition, Quadient considers as strategically important and embedded in the Company culture the fact that, for several years, regular meetings with the main shareholders, governance roadshow, have been institutionalized to both share an update about business performance and strategy and discuss remuneration-related views. Inputs and feedbacks are always taken into consideration and incorporated to finalize the final recommendations to the vote of the shareholders' meeting.

The Board of directors and the Appointments and remuneration committee refer to the recommendations of the Afep-Medef code to ensure that Quadient's remuneration policy:

- respects the principles of completeness, balance, comparability, consistency, transparency and moderation;
- respects the corporate interest, contributes to the Company's commercial strategy and sustainability, in particular by adopting criteria that assess the implementation of the Company's strategy and its long-term development;
- considers the vote of the shareholders and, where applicable, the opinions expressed at both the governance roadshow and the General Meeting;
- considers the terms and conditions of remuneration and employment of employees, the review of the Group's salary policy being among the duties of the Appointments and remuneration committee; and
- considers market practices.

The remuneration policies and structure described below will also apply to the corporate officers whose term of office would be renewed, or (where applicable on a *pro rata* basis) to any new corporate officer who would be appointed, during the period of the application of this policy.

2.3.2.1 2024 Remuneration policy for the directors

The maximum amount for the director's remuneration requested for approval at the next General Meeting of 14 June 2024 will be 580,000 euros and is unchanged compared to the 2023 envelope.

In 2024, following recommendation by the Appointments and remuneration committee, the Board of directors has taken steps to simplify the board compensation policy. The Appointments and remuneration committee has assessed the Board's compensation policy with reference to a market benchmark of 34 European peer companies, together with an additional reference benchmark of 27 peers as a subgroup among the SBF 120, a French stock market index. The remuneration policy is updated as follows:

- simplification of the overall remuneration mix between Board and Committees remuneration;
- amendment of the Company's tiered attendance policy, implementing instead a simplified remuneration formula to be paid *pro rata* based on attendance over the total number of regular and exceptional meetings; and
- a Board members' total remuneration would equal 40,000 euros per year at 100% attendance, aligning Board compensation to the median of both the European benchmark and the SBF 120 peer group.

In addition, the methods for calculating the remuneration of committee members is updated as follows:

- committee members: 6,000 euros per year;
- committee chairperson: 20,000 euros per year;
- *ad hoc* committee members: 1,000 euros per meeting with an overall maximum of 10,000 euros per year.

The envelope for *ad hoc* committee will remain as set up by the Board in 2022, with an unchanged maximum number of meetings a year set at 10. The total envelope for *ad hoc* committees has been reduced to 16,000 euros from the previous 50,000 euros.

Taking into consideration the different committees' membership of each individual board member, the combination of all the above will ensure that Quadient remuneration policy for directors is aligned to the median of market practice and more specifically to the peer groups with which the benchmarks have been focused.

In addition to the maximum amount authorized by the General Meeting for the remuneration of directors and upon the recommendation of the Appointments and remuneration committee, the Board of directors may also propose to allocate to one or several directors an exceptional remuneration for a specific mission assigned in accordance with article L.22-10-15 of the French commercial code, considering, notably, the scope of such mission, its duration and the involvement required. The allocation of such remuneration shall be subject to the related-party agreement review and approval process.

2.3.2.2 2024 Remuneration policy for the Chairman of the Board and the Chief Executive Officer

Pursuant to article L.22-10-8 of the French commercial code, this report sets out the principles and criteria for setting, allocating and awarding the fixed, variable, and exceptional components that comprise the total remuneration and benefits in kind awarded to the Chairman of the Board and the Chief Executive Officer, in respect of their respective corporate offices. These principles and criteria will be the subject of resolutions put to the vote of shareholders during the General Meeting of 14 June 2024.

2024 REMUNERATION POLICY FOR THE CHAIRMAN OF THE BOARD

Pursuant to article L.22-10-8 of the French commercial code, this report sets out the principles and criteria for setting, allocating and awarding the fixed, variable, and exceptional components that comprise the total remuneration and benefits in kind awarded to the Chairman of the Board, in respect of his corporate office. These principles and criteria will be the subject of a resolution put to the vote during the General Meeting of 14 June 2024.

Should the General Meeting of 14 June 2024 not approve this resolution, the remuneration shall be set in accordance with existing practices within the Company.

The remuneration policy of the Chairman is determined based on the recommendation from the Appointments and remuneration committee and approved by the Board of directors, in compliance with Quadient remuneration policy. This policy considers the Chairman's duties, experience, years of service and performance, as well as market practices. The determination of the 2024 remuneration policy for the Chairman of the Board has been supported by the Board's reference to the same benchmarks utilized for the Board of directors compensation policy.

The total remuneration of the Chairman consists of remuneration for his mandate as director (formerly directors' fees) and annual fixed compensation for his corporate mandate.

1° Remuneration as a director (formerly directors' fees)

The Board of directors may decide to pay the Chairman of the Board compensation for his mandate as a director. The principle is to award a fixed amount.

The Chairman should receive an annual amount of 30,000 euros in 2024. This amount is unchanged compared to the previous year.

This item of remuneration accounts for 16.7% of the total remuneration provided for in the remuneration policy of the Chairman.

2° Annual fixed remuneration

The Chairman's annual fixed remuneration is set by the Board of directors based on the Appointments and remuneration committee's recommendation in accordance with the Afep-Medef code's principles.

The Appointments and remuneration committee draws on the experience and expertise of its members, in addition to referencing market data and market practices with the support of external consultants, to determine the Chairman's annual fixed remuneration. The Chairman's 2024 fixed remuneration was determined in relation to the scope of the position and to practices observed in French and European groups where activities, revenues, market capitalization, number of employees and challenges are similar to those of Quadient. Specifically, to determine the amount of the Chairman's remuneration, the Appointments and remuneration committee referenced a market benchmark of 34 European peer companies, together with an additional reference benchmark of 27 peers as a subgroup among the SBF 120, a French stock market index. Following such assessment, market data demonstrated that the Chairman's current remuneration is approximately 35% below the median practices with reference to the chosen benchmark group.

Together with market positioning, the Appointments and remuneration committee also considered the absence of any compensation increase since Mr. Lamouche was elected to the Board as the Chairman in 2019.

For the fiscal year 2024, the Chairman's annual fixed remuneration would be 150,000 euros, increased from 120,000 euros and representing a 25% increase versus the previous year. This will bring the Chairman's remuneration to approximately 10% below the median.

This item of remuneration accounts for 83.3% of the total remuneration provided for in the remuneration policy of the Chairman.

3° Performance shares

The Chairman is not eligible for any long-term remuneration plan offered by the Company.

4° Benefits in kind

The Chairman can benefit from reimbursement of reasonable business expenses incurred while performing his duties, on presentation of appropriate receipts, in accordance with Company policy.

The Chairman does not receive any other remuneration for his corporate office. Therefore, he does not receive any multiannual variable remuneration, exceptional remuneration, nor any allocation of stock subscription or purchase options. He is not entitled to any severance payment or remuneration relating to a non-compete clause in the event of his appointment's termination.

These remuneration items will be the subject of a resolution submitted by the Board of directors to the General Meeting. The resolution will be worded as follows: "The General Meeting, in accordance with the quorum and majority required for ordinary general meetings, having considered the report on corporate governance provided for in Article L.225-37 and in compliance with Article L.22-10-8 II of the French commercial code, approves the remuneration policy including the principles and criteria for determining, distributing and attributing the fixed, variable and exceptional components of the total remuneration and benefits of all kinds detailed in the aforementioned report and payable to the Chairman in respect of his corporate office, which was

established in accordance with Article L.22-10-8 I of the French commercial code. This information is provided in section 2.3.2.2 "2024 Remuneration policy for the Chairman of the Board and the Chief Executive Officer" of the 2023 Universal Registration Document."

2024 REMUNERATION POLICY FOR THE CHIEF EXECUTIVE OFFICER

Pursuant to article L.22-10-8 of the French commercial code, this report, drawn up by the Board of directors, sets out the principles and criteria for setting, allocating, and awarding the fixed, variable, and exceptional components comprising the total remuneration and benefits in kind awarded to the Chief Executive Officer, Geoffrey Godet, in respect of his corporate office, which shall be put to the vote during the General Meeting of 14 June 2024.

Should the General Meeting of 14 June 2024 not approve this resolution, the remuneration shall be set in accordance with existing practices within the Company.

The remuneration elements for the Chief Executive Officer are established based on Quadient's remuneration policy that is driven by the following five principles:

- High performing and pay-for-performance culture - Respecting shareholders interest and continued company success by designing compensation plans aligned with corporate strategy and the delivery of financial, commercial and ESG strategic targets;
- Shareholders - Align management's compensation with shareholders' interests. Focus on long term strategy execution to increase shareholder value.
- Competitiveness - Leveraging focused market benchmarking activities to ensure external competitiveness and ability to attract, retain and engage talent.
- Sustainability - Being responsible for the environment and society by placing ESG as a meaningful component of compensation programs, and specifically ensuring Quadient's compensation policy embeds its climate-related objectives.
- Transparency - Promoting the principles of consistency, balance, comparability and equity, while increasing employees' education of the Company's remuneration policy.

Inspired by the above principles, the Appointments and remuneration committee prepared the 2024 remuneration policy taking into consideration the following six criteria:

- Market benchmark against selected peers - A primary benchmark of 34 European peers comparable to Quadient by industry and size has been assessed and considered ¹⁾. Considering the importance of the Company's North American business and the dual nationality of Quadient's Chief Executive Officer, a second benchmark of 32 United States peers has been utilized as a secondary reference. Both benchmarks leveraged 2022 published data. The market data shows that the Chief Executive Officer's current base salary is below median and his target total remuneration is just above median. The target agreed within the Appointments and remuneration committee is to position the Chief Executive Officer total target remuneration between median and 75th percentile versus

2022 benchmark data. This aimed at anticipating the most recent evolutions of Quadient's peers, dulling reward, and recognizing the Chief Executive Officer performance. Additional rationales are detailed below.

- Performance - The Appointments and remuneration committee appreciated the successful organic and inorganic transformation of the Company over the past five years to Quadient's current profile, and specifically that the Company has reached the end of its execution of the "Back to Growth" three-year strategic plan. Together with business performance, there is a positive consensus around efforts to enhance and refresh the Company's investor base as well.
- Retention - The Appointments and remuneration committee carefully considers the context of a highly competitive market for qualified executives in both European and US labor markets. The committee considered that Mr. Godet is approaching his 6th year in the role, and that since his appointment in 2018 he has only received one increase to his base compensation of 7.7% in 2021/2022, delayed one year due to the covid-related measures.
- Company remuneration policy context - The Appointments and remuneration committee considers that any recommendations for the 2024 remuneration policy must be in line with the current economic context, which has experienced relatively high inflation in recent years. As this context is experienced by both the CEO and Quadient's employees, the committee considered the historical increased that employees at Quadient benefited from, together with projected increases to employees' remuneration, before concluding its recommendation for the 2024 remuneration policy.
- Alignment with shareholders' interest. The Appointments and remuneration committee carefully considered the relative weight within the 2024 compensation policy with respect to variable versus fixed compensation for the CEO, as well as the weight of long-term incentives versus short-term incentives for the CEO. The 2024 remuneration policy will further align with shareholders' interests by increasing the weight of long-term incentive from 37% to 39% of the total target remuneration, and will reduce the weight of the CEO's fixed compensation from 28% to 27%. All in all, the 73% of the total remuneration of the CEO will be variable and performance driven.
- Other elements - The Appointments and remuneration committee reviewed additional elements other than the CEO's base salary, short- and long-term incentives to also consider the adequacy, competitiveness, equity and fairness of the 2024 compensation policy.

All the above considered and appreciated, based on the recommendation of the Appointments and remuneration committee, the Board of directors has decided the following evolution of the Chief Executive Officer's remuneration for 2024:

- Increase of his base salary by 15% to reach 750,000 euros that will position the CEO's base salary at approximately the 66th percentile of 2022 benchmark data of the industry peers. The currency breakdown of the base salary remains 75% in euros and 25% in US dollars;

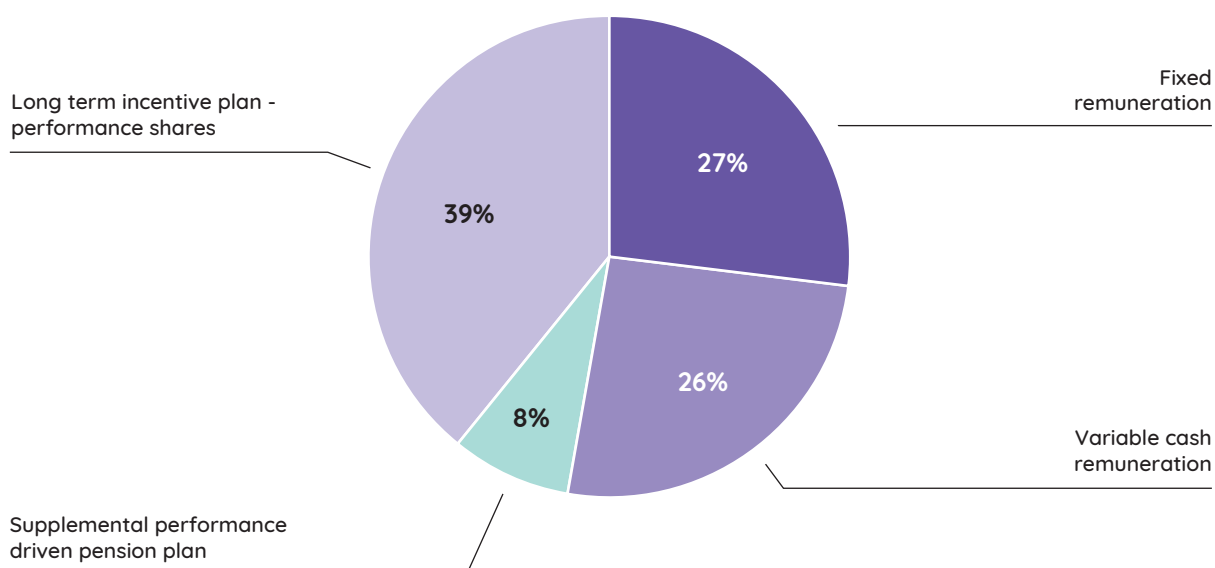
¹⁾ In alphabetical order: 4 Imprint Group, ADVA Optical Networking, Alten, AT&S, Barco, BIC, Cewe Stiftung, CGG, Criteo, Datalogic, Essentra, Eutelsat, Ework Group, Helios Towers, IPSOS, Jenoptik, Kapsch Trafficcom, Kudelski, Mersen, Nagarro, Ocado, Ordina, Qinetiq Group, Renishaw, Reply, Sagegroup, SES, SMCP, Solution30, Sopra Steria, Software, Spectris, Temenos, TKH Group.

- Maintain the CEO's short-term incentive target at 100% of base salary, with quantitative criteria remaining unchanged at 70% weighting and qualitative criteria unchanged at 30%, although slightly updated in terms of their internal weights within the 30% and still focused on solutions' profitability, investors relations and diversity, equity, and inclusion (DE&I). Details are provided further down in this chapter;
- Increase the annual grant of the CEO's long-term incentive to 150% of base salary, with both targets and share grant limitations unchanged.

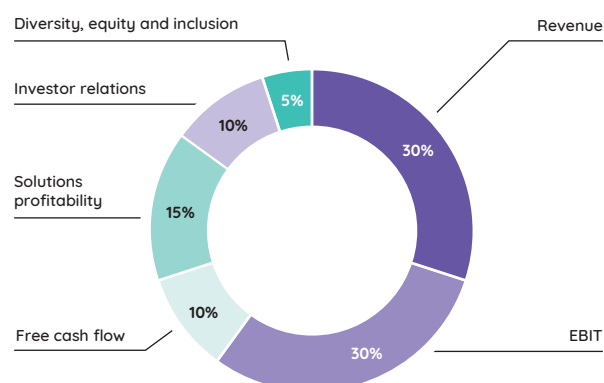
The breakdown of the gross annual fixed remuneration between the various duties of the Chief Executive Officer of the Company and his roles in the US subsidiaries may be reviewed by the Board of directors during the year, by mutual agreement with the Chief Executive Officer, to reflect the time and resources dedicated to each of these duties.

It is noted, however, that an at-will Executive Agreement has been put into place in 2021 to support his role and time spent in the U.S. as President and Chief Executive Officer of certain US subsidiaries. This Executive Agreement is at will and does not provide any employment protection to Geoffrey Godet.

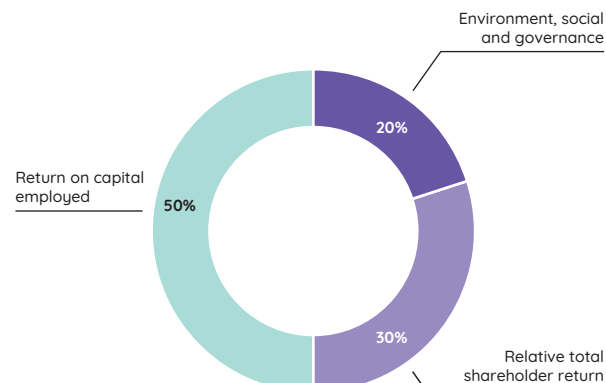
CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2024 TOTAL TARGET REMUNERATION



CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2024 DETAILS OF THE TARGET VARIABLE CASH REMUNERATION



CHIEF EXECUTIVE OFFICER FINANCIAL YEAR 2024 DETAILS OF THE LONG TERM INCENTIVE PLAN



In a more detailed description, the breakdown of the 2024 Chief Executive Officer total target remuneration, will be as follows:

1° Remuneration as a director

The Chief Executive Officer should receive an annual amount of 30,000 euros in 2024. This amount is unchanged compared to the previous year.

This item of remuneration accounts for 1.0% of the total target remuneration provided for in the remuneration policy of the Chief Executive Officer.

2° Annual fixed remuneration

Annual fixed remuneration is set by the Board of directors on the Appointments and remuneration committee's recommendation in accordance with the Afep-Medef code's principles. Following the 2024 compensation policy, the Chief Executive Officer's fixed remuneration will be increased to 750,000 euros.

With a currency split for compensation to be paid 75% in euros and 25% in U.S. dollars for 2024, the Chief Executive Officer's annual fixed remuneration would be paid as follows:

- Gross annual fixed remuneration of 562,500 euros for his duties as Chief Executive Officer of the Company, paid in France;
- Gross annual fixed remuneration of the equivalent in US dollars of 187,500 euros paid at 2024 fiscal year exchange rate for his duties and time spent as both Director of Quadiant Holdings, Inc. and Director, President and Chief Executive Officer of the subsidiary Quadiant, Inc., paid in the United States.

3° Annual variable cash remuneration

The Chief Executive Officer's annual variable remuneration is determined based on quantitative and qualitative goals tied to the Company's progress and the CEO's individual performance. For 2024, the variable part of the Chief Executive Officer's remuneration is targeted to 100% of the CEO's fixed remuneration so long as quantitative and qualitative targets are achieved at 100%. The CEO may exceed the target variable compensation by up to 150% if targets are overachieved. This variable part of the remuneration would be paid in the same euro/USD currency split as the fixed remuneration.

The variable remuneration depends on the Company's results, as well as the CEO's individual performance. The variable remuneration is based on financial criteria for 70% of the target bonus, together with specific qualitative individual performance objectives for 30% of the target bonus.

The financial criteria used for the Group's variable remuneration for 2024 are as follows:

- Revenue: this criterion was selected to demonstrate the Company's continued growth in 2024;
- EBIT - or current operating profit - assuming a constant scope: this criterion was selected to ensure that profitable and sustainable growth is maintained over time;
- Free Cash Flow: this criterion was selected as it constitutes the main marker of value creation over time, and therefore a fundamental indicator for shareholders.

The target figures related to the revenue and current operating profit are not communicated due to the sensitive nature of this confidential information but will be published a posteriori to present the calculation of the bonus achievement rate. The target figures are aligned with the budget which is coherent with the 2024 guidance.

Criteria	Weight	Threshold (50.0%)	Target (100%)	Maximum (150%)
Revenue ^(a)	30%	97% of the target amount	Aligned with the full-year 2024 guidance of organic sales growth	102% of the target amount
EBIT ^(a)	30%	94% of the target amount	Aligned with the full-year guidance of organic current EBIT ^(b) growth	104% of the target amount
Free Cash Flow ^(c)	10%	47.7	53.0	63.6

(a) Not disclosed prior to the sensitive nature of such confidential information - will be disclosed a posteriori.

(b) Before acquisition-related expenses.

(c) Cash flow after capital expenditure.

The qualitative component is based on achieving formalized individual objectives. For 2024, the qualitative objectives of Geoffrey Godet are as follows:

- 15% - Accelerate the growth of the Company and progress the strategy of each of the solutions in alignment with market guidance.

- 5% - Drive ICA's growth and profitability with a continued focus on customer satisfaction;
- Achieve ARR ⁽¹⁾ budget for 2024,
- Maintain or improve market analyst ratings,
- Improvement of profitability in 2024 vs 2023, in line with budget,
- Customer satisfaction,

¹⁾ Annualized recurring revenue.

- 5% - MRS' resilience to continue delivering meaningful synergies for Quadient;
- Cross-selling of ICA products via MRS channel, in line with budget,
- Deliver Frama's integration according to the plan,
- Customer satisfaction,
- 5% - Continue expansion of PLS through continued geographic expansion and improved profitability;
- Implementation of installations across both main and developing countries,
- Deliver on defined initiatives to improve PLS profitability,
- Customer satisfaction,
- 10% Investor relations - Prepare and announce the Company's 2024-2026 strategy, and engage effectively with the Company's investors and Board of directors accordingly;
- Board and investor relations - Continue to nurture strategic discussions for both external stakeholders and the Board, with investor relations strategy culminating in a successfully executed 2024 Capital Markets Day,
- Board and investor dynamic - Cultivate a positive and collaborative environment for the Board and Investors,
- 5% Diversity, & inclusion: Executing a comprehensive DE&I approach, better position Quadient as an employer of choice for diverse candidates;
- Continue to improve gender diversity within Director and Leadership levels of the organization,
- Nurture a culture which provides fair and transparent career promotion and advancement opportunities within the Company.

It is however specified that, notwithstanding the achievement of said objectives, no variable remuneration will be paid in cases of resignation or dismissal for gross negligence (as defined by French labor law), occurring prior to the date of payment.

4° Long term incentive share plan - under performance conditions

The long-term component of the Chief Executive Officer's remuneration is granted from a performance share allocation plan which is open to a range of executives and key talents within the Company, following a decision of the Board of directors taken upon the Appointments and remuneration committee's recommendation.

As part of the 2024 compensation policy, the Board recommends setting the current performance share package

to 150% of the Chief Executive Officer's base salary. This increase from 135% is driven by the six criteria noted at the beginning of this section, and notably to address the shortfall in long-term incentives as part of the CEO's total compensation noted when compared against the European and US peer groups. In this specific case being too large the gap between the two peer groups, the target is to position the performance share package of the CEO at least above the median, more precisely the 66th percentile, of the published 2022 data of European one. For 2024, the increase of the performance share package from 135% to 150% of the Chief Executive Officer's base salary shall be put to the vote during the General Meeting of 14 June 2024.

The plan's allocations awarded to the Chief Executive Officer are capped at 10% of the total number of free shares allocated annually, which represents a maximum of 0.14% of the share capital of Quadient. The number of performance shares granted cannot vary by more than 30% (up or down) year-on-year to prevent windfall effects that could result from stock volatility. Performance shares will be subject to a three-year vesting period. To align the value of the grant to the underlying awards under the plan, the face value of the Company's stock price will be determined by using the monthly average value of the stock price before the grant date.

In case where the calculation of the number of shares to be granted to the Chief Executive Officer would exceed the maximum percentage attributable - remaining within the 30% shares variation limitation stated above or within the 10% of the total number of free shares allocated annually - then the excess would be delivered under the form of phantom shares stock units. They would follow the share price evolution and the same performance conditions of the free share plans. Therefore, they will be settled in cash at the end of the vesting period with an obligation for the Chief Executive Officer to invest 50% of these phantom stock units into shares of the Company.

The vesting of free shares is subject to the existence of a corporate appointment or employment contract within the Quadient Group. Accordingly, no delivery can take place after the termination of any corporate office or employment contract, except in case of death, disability, or retirement. Additionally, the Board of directors, acting on the recommendation of the Appointments and remuneration committee and in accordance with the regulations governing free share plans, may decide to grant to the Chief Executive Officer post-mandate vesting on a *pro rata* basis for time and performance.

The final acquisition of the allocated free shares is subject to a condition of presence and the following performance criteria will be assessed by the Board of directors at the end of a period of three years following the date allocation.

With a reduction of 58% of its scope 1 & 2 emissions in 2023 vs. 2018, Quadient has achieved its near-term reduction target of 50.4% reduction by 2030 vs. 2018 base year. 2023's reductions were driven in large part by the Company's initiatives to reduce natural gas and electricity consumption, together with the reduction of emissions related to company vehicles following the Company's policy to switch to hybrid/petrol cars. Thus, following the integration of ESG criteria in the long-term incentive plan and the Company's achievements to reduce its Scope 1 and 2 emissions in 2023, it was decided to raise Quadient's emissions reduction target from 50.4% to 67% in 2030 compared to the 2018 reference. As current near-term target was achieved, forward-looking

ambition to 2030 was adjusted in line with SBTi standards and aligned with a 2050 net-zero target. The Company's 2024 LTI plan and the 2024-2026 Greenhouse Gas Emissions (GHG) trajectory follows this recommendation.

As regards the Relative Total Shareholders Return, the Appointment and remuneration committee, appreciating both the outcomes of the peer group benchmarks and the feedback received during the roadshows with the main shareholders, decided to propose to increase the threshold from the current 33rd percentile to the 50th percentile, making more challenging the minimum acceptable performance for vesting.

Criteria	Weight	Threshold	Target	Maximum
Relative Total Shareholder Return ^(a)	30%	50 th percentile	60 th percentile	70 th percentile
ROCE ^(b)	50%	6.2%	7.8%	9.3%
Greenhouse Gas Emissions ^(c)	20%	61%	62%	63%

- (a) The share price is the average of the stock price of the month preceding the grant date. The exit price is the average of the stock price of month preceding the vesting date. The price includes dividends and share buy-back. Peer group remains CAC Small + Mid 60
- (b) NOPAT / Capital Employed, with NOPAT being current operating income (including M&A-related expenses), minus tax
- (c) Versus 2018 baseline; performance measured over the period 1 February 2024 to 31 January 2027
- CEO performance appreciated at the end of three years plan; target are aligned with financial communication to market
 - Targets to be set over the three years, with the Appointments & Remuneration Committee maintaining discretion to amend the 2024 LTI Plan in the event where future year's targets are achieved in any one calendar year. If made, future year(s) of the 2024 LTI Plan would be rebased in accordance with the Science-Based Target Initiative (SBTi) methodology.
 - Despite each KPI may qualify a max vesting of 150%, maximum plan overall vesting would remain at 100%

It is hereby specified that a minimum of 50% of the number of free shares definitively acquired by the Chief Executive Officer should be held until the end of his corporate offices. This will be the case until he holds a quantity of 50,000 definitively acquired free shares, which he shall then be bound to keep until the termination of said corporate offices.

Geoffrey Godet has undertaken not to hedge his risk with respect to the performance shares awarded by using hedging instruments throughout his term of office, in accordance with the recommendations of the Afep-Medef code.

5° Supplemental performance driven pension scheme

The Chief Executive Officer benefits from the same supplemental pension structure as the employees of Quadient S.A to drive alignments of goals. This is unchanged compared to the previous year.

The Chief Executive Officer's supplemental pension structure remains consistent with 2023 and comprises a defined-contribution scheme (article 83 of the French general tax code) into which is paid a total of 5% of his remuneration, capped at five times the Social Security ceiling.

To qualify for this payment, the Chief Executive Officer must liquidate his pension entitlements related to both the French Social Security pension scheme and supplemental schemes.

Furthermore, the Chief Executive Officer is also eligible to receive an additional annual cash payment equal to a certain percentage of his total annual remuneration in the year in question (fixed and variable), to enable him to constitute his own supplemental pension directly, year after year. These payments are subject to performance objectives that are the same as those relating to his annual variable remuneration, and will represent a maximum of 15% of the total annual

remuneration assuming objectives are achieved at 100%, it is specified that such payments will be degressive in proportion to the achievement of such performance objectives. The percentage achievement relating to the Chief Executive Officer's annual variable remuneration would therefore apply to these payments but would be capped at 100% of the objectives achieved.

Finally, as an employee of Quadient, Inc., Geoffrey Godet benefits from participating in the subsidiary's US defined-contribution pension plan, 401(K) retirement plan (NEOPOST USA INC.401(K) PLAN - as amended and restated effective 1 January 2010), whereby employees who chose to contribute into the plan can benefit from a company-match, up to 7,000 US dollar annually.

6° Remuneration for termination of duties

In accordance with recommendation 25.5 of the Afep-Medef code, in the event of (i) dismissal (other than for gross negligence or serious misconduct as defined by French labor laws) or (ii) forced departure (e.g. resignation within twelve months following (a) a change of control of the Company, (b) a major and imposed change in the Chief Executive Officer's duties approved by the Company's corporate bodies, or (c) a significant change of Quadient's strategy duly approved by the Company's corporate bodies and resulting in a reorientation of the Company's business), the Chief Executive Officer would receive remuneration for termination of duties, the gross amount of which would depend on the extent of the achievement of annual performance objectives.

In accordance with current market practices, remuneration for termination of duties of the Chief Executive Officer would apply from 1 February 2024 until the General Meeting called to vote on the financial statements for the fiscal year that will end on 31 January 2025.

The conditions of this indemnity, for each fiscal year within this period, would be the following: in the event of a qualifying termination, the gross amount of this indemnity would amount to 18 months of remuneration based on his target annual fixed and variable remuneration (calculated for objectives achieved at 100%), if the average variable remuneration received during the last three fiscal years corresponds to at least 50% of his theoretical annual variable remuneration (assuming objectives are achieved at 100%), and this, as confirmed by the Board of directors in respect of the criteria set. The fiscal years in which the remuneration policy of the Chief Executive Officer does not plan for any variable remuneration would be neutralized for the purposes of this calculation.

Throughout this period, this remuneration is subject to the approval of the General Meeting, in accordance with applicable legal rules. This commitment would continue under these terms and conditions, subject to the approval of the General Meeting.

7° Benefits in kind

The Chief Executive Officer benefits from the current life and disability insurance and supplemental health insurance schemes, unemployment insurance for company directors, a company car, assistance with filing his annual French and United States tax declarations and reimbursement of reasonable business expenses incurred while performing his duties, on presentation of appropriate receipts, in accordance with the Company's policy.

The Chief Executive Officer does not receive any other remuneration for his corporate appointment. He does not, therefore, receive any multi-annual variable or exceptional remuneration nor any allocation of share subscription or purchase options. The Chief Executive Officer has not signed a non-compete clause, but must give a notice period of six months in the event of resignation.

These remuneration items will be the subject of a resolution submitted by the Board of directors to the General Meeting. The resolution will be worded as follows: "The General Meeting, in accordance with the quorum and majority required for ordinary general meetings, having considered the report on corporate governance provided for in Article L.225-37 and in compliance with Article L.22-10-8 II of the French Commercial Code, approves the remuneration policy including the principles and criteria for determining, distributing and attributing the fixed, variable and exceptional (including stock options and performance shares) components of the total remuneration, the agreements referred to in the fourth subparagraph of Article L.22-10-9 of the French Commercial Code, and benefits of all kinds detailed in the aforementioned report and payable to the CEO in respect of his corporate office, which was established in accordance with Article L.22-10-8 I of the French Commercial Code. This information is provided in section 2.3.2.2 "2024 Remuneration policy for the Chairman of the Board and the Chief Executive Officer" of the 2023 Universal Registration Document."

TABLE # 11 AFEP-MEDEF CODE

Executive directors (as at 31 January 2024)	Employment contract	Supplemental Pension plan	Remuneration or benefits due or likely to be due in case of termination or change in functions	Remuneration in view of a non-compete clause
Didier Lamouche - Chairman	No	No	No	No
Start date of the mandate: 28 June 2019				
End date of the mandate: General Meeting called to approve the financial statements for the fiscal year that will end on 31 January 2025.				
Geoffrey Godet - Chief Executive Officer	Yes ^(a)	Yes ^(b)	Yes ^(b)	No
Start date of the mandate: 29 June 2018				
End date of the mandate: General Meeting is called to approve the financial statements for the fiscal year that will end on 31 January 2024				

(a) Executive agreement to support his role and time spent in the U.S. as director of the U.S. subsidiaries. This executive agreement is at-will and does not provide any employment protections to Geoffrey Godet.

(b) Cf. 2.3.2 of this universal registration document, the commitments mentioned in the fourth paragraph of article L.22-10-9.

2.3.3 COMPENSATION OF SENIOR EXECUTIVES: STOCK OPTION PLANS AND PERFORMANCE SHARE GRANTS

2.3.3.1 2020 Performance Plan share – Details of the acquisition in fiscal year 2023

The 2020 Long Term Incentive Plan (LTIP) vested on 16 January 2024. This plan was based on performance shares only and presence of beneficiaries at vesting date. Upon proposal of the Appointments and remuneration committee, the Board of directors considered on May 6, 2021, in the exceptional context induced by the Covid-19 crisis, that elements relating to the 2020 fiscal year were not representative of Quadient global performance over the reference period of the ongoing performance shares plans and would thus have a disproportioned impact by entailing a

demotivating loss of performance shares for all beneficiaries who were instrumental in the recovery and rebound of Quadient performance. Shareholders approved the adjustment of the performance share plans at the General Meeting of 16 June 2022. In consideration of the above, the Board of directors analysed and approved on 27 November 2023 the Appointment and remuneration committee re-calculation of the 2020 LTIP for an overall vesting amounts to **14.7%** of the total as described in detail below.

Criteria ^(a)	Weight	Objectives		Value	Achievement Level	Acquisition Level
		Year	Threshold	Maximum		
			0%	100%		
Relative total shareholder return (from 1 st February 2020 until 31 January 2022 included).	60%	2020, 2021 and 2022	Not taken	into account	Not taken	into account
			0.0%	2.0%	(10.3)%	(514.5)%
Organic sales growth ^(b)	40%	2020	Not taken into account	Not taken into account	Not taken into account	Not taken into account
	13%	2021	1.2%	3.2%	4.3%	155%
	13%	2022	1.2%	3.2%	1.4%	10.0%
TOTAL						14.7%

(a) The measurement of the performance is linear between the lower limit and the maximum.

(b) Based on the average performance of 2021 and 2022 (at constant exchange rates and scopes).

2.3.3.2 History of share subscription or purchase options and performance share granted

STOCK SUBSCRIPTION OR STOCK PURCHASE OPTIONS GRANTED TO THE TOP TEN NON-CORPORATE OFFICER BENEFICIARY EMPLOYEES AND OPTIONS EXERCISED BY THE LATTER

There have been no subscription or stock purchase plans since 2012. As regards to previous or ongoing plans, no options have been exercised by the top ten non-corporate officer employees.

Stock subscription or stock purchase options granted to the top ten non-corporate officer beneficiary employees and options exercised by the latter.	Total number of options granted/shares subscribed or purchased	Weighted average price
Options granted, during the fiscal year, by the issuer and any company included in the scope of allocation of the options, to the ten employees of the issuer and of any company included in this scope, for which the number of options granted is highest (aggregate information)	-	-
Options held on the issuer and the companies referred to above, exercised during the fiscal year by the ten employees of the issuer and these companies, whose number of options thus purchased or subscribed is the highest (aggregate information)	-	-

PERFORMANCE SHARES

Date of General Meeting	Number of shares to be allocated	Duration of authorization
16 June 2022	460,000	14 months
16 June 2023	460,000	14 months

The awards granted are listed in table #9 of the Afep-Medef recommendations in this section.

EMPLOYEE SAVINGS PLAN

A Group Company savings plan (PEE) was introduced by Quadient S.A. in September 1998. Employees of Quadient S.A. or French companies related to it as defined in article L.225-180 of the French commercial code, are eligible to join the Quadient Group Company savings plan, subject to a minimum of six months of service in the Company.

A collective pension saving scheme (PERCO) was introduced in Quadient S.A. and the Group's French companies, open to employees that have a minimum of three months of service in the Company. A collective employee shareholding fund (FCPE) was created and approved by the Securities and

Stock Exchange Commission, now the AMF, on 19 January 1999. This fund was created to manage the amounts received under the Quadient Group company savings plan. The Quadient FCPE mainly invests the amounts received in Quadient shares and the investments are frozen for a period of five years, except in legally allowed cases of early release.

The Quadient S.A. General Meeting of 16 June 2023 granted the Board of directors the powers required to issue, on one or more occasions and over a 26-month period, shares reserved particularly for employees benefiting from the Quadient Group Company savings plan, subject to a nominal limit of 1,200,000 euros.

■ TABLE # 8 AFEP-MEDEF CODE: PAST AWARDS OF SUBSCRIPTION OR PURCHASE OPTIONS

Stock options

Date of General Meeting

Date of Board meeting (start of exercise period)

Expiry date

Performance conditions

Initial number of options available for subscription or purchase

including attributable under performance conditions

Adjusted^(a) number of options that could be available for subscription or purchase

of which available for subscription or purchase by Didier Lamouche – Chairman

of which available for subscription or purchase by Geoffrey Godet – Chief Executive Officer

Initial subscription or purchase price (in euros)

Adjusted^(a) subscription or purchase price (in euros)

TOTAL NUMBER OF OPTIONS SUBSCRIBED

Adjusted^(a) cumulative number of subscription or purchase options cancelled or nullified

NUMBER OF SHARE SUBSCRIPTIONS OR PURCHASE OPTIONS OUTSTANDING AS OF 31 JANUARY 2024

(a) Adjusted value after the payment of dividends, partly paid from capital reserves.

■ TABLE # 9 AFEP-MEDEF CODE: PAST AWARDS OF PERFORMANCE SHARES

Free shares	LTIP 2019		LTIP 2020			LTIP 2021			
Date of General Meeting	28/06/2019	28/06/2019	06/06/2020	06/06/2020	06/06/2020	01/07/2021	01/07/2021	01/07/2021	01/07/2021
Date of Board meeting	23/09/2019	06/01/2020	25/09/2020	25/09/2020	25/09/2020	24/09/2021	24/09/2021	24/09/2021	24/09/2021
Grant Date	23/09/2019	06/01/2020	15/01/2021	08/02/2021	15/02/2021	24/09/2021	01/12/2021	01/03/2022	01/05/2022
Performance conditions	Entire grant	Entire grant	Entire grant	Entire grant	Entire grant	For 193,690 granted shares	For 1,450 granted shares	No	No
Total number of shares granted, of which to:	391,030	5,000	383,500	2,500	4,000	385,500	3,800	1,000	4,600
Didier Lamouche Chairman	-	-	-	-	-	-	-	-	-
as percentage of share capital	-	-	-	-	-	-	-	-	-
Geoffrey Godet Chief Executive Officer	-	-	-	-	-	-	-	-	-
Performance conditions only	40,000	-	40,000	-	-	40,000	-	-	-
as percentage of share capital	0.12%	-	0.12%	-	-	0.12%	-	-	-
Vesting date of shares	24/09/2022	07/01/2023	16/01/2024	09/02/2024	16/02/2024	25/09/2024	02/12/2024	03/03/2025	03/05/2025
End of lock-up period date	24/09/2022	07/01/2023	16/01/2024	09/02/2024	16/02/2024	25/09/2024	02/12/2024	03/03/2025	03/05/2025
Number of shares vested as of 31 January 2024	0	0	41,123	0	0	0	0	0	0
Cumulative number of shares cancelled or nullified as of 31 January 2024	317,519	5,000	342,377	0	0	90,000	800	0	4,600
Number of shares outstanding at of 31 January 2024	0	0	0	2,500	4,000	295,500	3,000	1,000	0

Free shares	LTIP 2022				LTIP 2023		
Date of General Meeting	16/06/2022	16/06/2022	16/06/2022	16/06/2022	16/06/2023	16/06/2023	16/06/2023
Date of Board meeting	16/06/2022	16/06/2022	16/06/2022	16/06/2022	16/06/2023	16/06/2023	16/06/2023
Grant date	01/09/2022	23/09/2022	01/12/2022	01/03/2023	16/06/2023	14/08/2023	08/01/2024
Performance conditions	For 212,340 granted shares	Entire grant	For 2,010 granted shares	For 1,500 granted shares	Entire grant	For 211,640 granted shares	For 19,110 granted shares
Total number of shares granted, of which to:	433,750	8,267	5,900	2,000	2,823	436,500	29,300
Didier Lamouche Chairman	-	-	-	-	-	-	-
as percentage of share capital	-	-	-	-	-	-	-
Geoffrey Godet Chief Executive Officer	-	-	-	-	-	-	-
Performance conditions only	46,000	-	8,267	-	2,823	46,000	-
as percentage of share capital	0.13%	-	-	-	-	0.13%	-
Vesting date of shares	01/09/2025	30/09/2025	03/12/2025	02/03/2026	17/06/2023	16/08/2026	09/01/2027
End of lock-up period date	01/09/2025	30/09/2025	03/12/2025	02/03/2026	17/06/2023	16/08/2026	09/01/2027
Number of shares vested as of 31 January 2024	0	0	0	0	0	0	0
Cumulative number of shares cancelled or nullified as of 31 January 2024	73,000	0	2,500	0	0	6,000	0
Number of shares outstanding at of 31 January 2024	360,750	8,267	3,400	2,000	2,823	430,500	29,300

2.3.3.3 Allocation policy for the free share plans in 2024

Quadient S.A. has implemented a long-term incentive policy to involve key talents and senior executives in the Group's future performance. This entails granting performance shares each year to numerous employees, for reference, during fiscal year 2023 free shares were granted to 203 Quadient employees. The Board of directors approves the free share plans based on the work and recommendations of the Appointments and remuneration committee. This committee examines the allocation proposals, pursuant to the general scheme set by the Annual General Meeting, and reviews the list of beneficiaries to ensure it follows the policy set up by management (*i.e.*, gender diversity, representation of business activities positions, ensuring a significant proportion of non-executive employees receive grants, focusing on key talents and the best performers whilst maintaining a rotation of beneficiaries).

The aim of performance share allocations is to associate the worldwide management team and key talents of Quadient with the development of the group's value by allowing them to share ownership of the Company, and to develop common interests with shareholders of the Company. The

performance conditions are designed to encourage beneficiaries to focus on common and meaningful goals for the Company. The plan also provides recognition of executives whose impact on revenue generation, efficiency and productivity, leadership and professional values has contributed to Quadient's success. Lastly, it helps to promote loyalty in executives who are of particular value to the Company. The allocation of free shares increases their commitment and motivation to implement progress and growth in Quadient. There was an introduction of free shares without performance conditions (RSU - Restricted Share Units) since LTIP of 2022.

For 2024 the Board of directors proposed to increase the total envelope of shares from 460,000 to 500,000 keeping the same 50% ratio between free shares with and without performance conditions.

Acquisitions of free shares under selective plans become definitive only at the end of a three-year vesting period. Part of the free shares plan are subject to the fulfilment of performance conditions. Those performance conditions are aligned with the performance conditions selected by the Board of directors for the 2024 long term incentive plan for the Chief Executive Officer. At the end of the vesting period, and provided that the conditions described are met, the Quadient shares are definitively acquired by the beneficiaries.

2.4 Related-party agreements

In accordance with article L.22-10-12 of the French commercial code, the Board of directors has implemented a procedure to regularly assess whether the agreements relating to day-to-day operations and entered into under the normal conditions referred to in article L. 225-39 of the French commercial code meet these conditions. The Board of directors carries out, when necessary, the assessment of agreements entered into under normal terms and conditions to ensure that they continue to meet these conditions.

The Board of directors is informed of any draft agreement likely to constitute a related party agreement or a so-called free agreement and of its evaluation by the competent management, for qualification purposes. When a member of the Board of directors has a direct or indirect interest in the agreement, he or she does not take part in its evaluation.

At least once a year, and regularly, an item on the agenda of the Board of directors shall be dedicated to the application of this process.

2.5 Summary table of the current General Meeting delegations of powers to the Board of directors and indicating the use made of these delegations during the fiscal year 2023

Pursuant to article L.225-37-4,3° of the French Commercial Code.

Authorizations	Date of the General Shareholders' Meeting resolution	Term	Use during the fiscal year 2023 which ended 31 January 2024
Share buyback program - to proceed, directly or indirectly, on one or more occasions which it shall decide, to buy back shares up to a maximum of 10% of the total number of shares comprising the share capital, with the option to sub-delegate. The maximum purchase price may not exceed €50 per share.	16 June 2023	18 months	used
Issue ordinary shares and securities giving access to the Company's share capital, with shareholders' preferential subscription rights.	16 June 2023	26 months	not used
Issue ordinary shares, with the removal of the shareholders' preferential subscription rights through public offering (excluding any offer referred to in 1, article L.411-2 of the French monetary and financial code)	16 June 2023	26 months	not used
Issue ordinary shares, with the removal of the preferential subscription rights through any offer referred to in 1, article L.411-2 of the French monetary and financial code	16 June 2023	26 months	not used
Issue securities giving access to the Company's share capital, with the removal of the shareholders' preferential subscription rights through public offering (excluding any offer referred to in 1, article L.411-2 of the French monetary and financial code)	16 June 2023	26 months	not used
Issue securities giving access to the Company's share capital, with the removal of the shareholders' preferential subscription rights through any offer referred to in 1 of article L.411-2 of the French monetary and financial code	16 June 2023	26 months	not used
Increase the amount of shares issued in the event of over subscription to ordinary shares or securities giving access to the Company's share capital	16 June 2023	26 months	not used
Increase share capital by incorporation of reserves, profits or premiums	16 June 2023	26 months	not used
Increase the share capital by issuing new ordinary shares and securities giving access to the Company's share capital in return for contributions in kind within a limit of 10% of the share capital	16 June 2023	26 months	not used
Issue ordinary shares and securities giving access to the Company's share capital, in the event of a public exchange offer initiated by the Company	16 June 2023	26 months	not used
Proceed with share capital increases and sales of shares reserved to members of a company or Group savings plan in application of article L.3332-1 and subsequent sections of the French labour code	16 June 2023	26 months	not used
Proceed with share capital increases reserved to employees and corporate officers of foreign subsidiaries or branches who cannot subscribe, directly or indirectly, to the Company's shares under the previous resolution, and for all financial institutions or companies created specifically and exclusively to implement an employee savings scheme for employees (or former employees) of foreign subsidiaries or branches who cannot subscribe, directly or indirectly, to the Company's shares under the previous resolution	16 June 2023	18 months	not used
Proceed with allocation of existing performance shares or performance shares to be issued with the removal of the shareholders' preferential subscription rights	16 June 2023	14 months	not used
Cancel shares acquired pursuant to the Company's share buyback program	16 June 2023	18 months	not used

Only the authorization relating to the Company's share buyback program was used during the fiscal year 2023.

The full wording of these authorizations is available on request from Quadient head office. The General Shareholder Meeting of Quadient called on 14 June 2024 to vote on the financial statements for the financial year that ended on 31 January 2024 will be asked to renew these authorizations on similar terms.

2.6 Information that could have an impact in the event of a takeover bid or exchange offer

In accordance with the provisions of article L.22-10-11 of the French commercial code, the factors that could have an impact on a takeover bid are the following:

- the Company's capital structure as described in section 7 of the Universal Registration Document;
- direct or indirect investments in the Company's capital known to the Company pursuant to articles L.233-7 and L.233-12 of the French commercial code, as described in section 3 of the universal registration document;
- the rules applicable to the appointment and replacement of members of the Board of directors and amendments to the Company's articles of association, which are decided by General shareholders' Meetings;
- the Board of directors' powers as delegated by the General shareholders' Meeting, particularly those relating to the issue or buy-back of shares, as described in section 2.5 of the universal registration document.

To the best of the Company's knowledge, there are no agreements between shareholders that could lead to restrictions in the transfer of shares and the exercise of voting rights.

On 26 July 2023, the Company and Bpifrance Participations entered into a governance agreement under the terms of which the Company was to appoint Bpifrance as a director as soon as possible from the date on which the threshold of 8% of the Company's share capital was crossed, either by co-option in the event of a director's vacancy or by the next general meeting. Bpifrance Participations crossed the threshold of 8% of Quadient's share capital on 27 October 2023 and on 22 March 2024 Bpifrance Investissements (represented by Emmanuel Blot) was co-opted as an independent director of Quadient, a co-option to be ratified by the next General Meeting scheduled on 14 June 2024.

As part of this agreement, Bpifrance has also undertaken to support Quadient's overall strategy on the Board of Directors and at the Annual General Meeting, and to consider any capital reinvestment opportunities that may be proposed by the Company. In addition, with regard to the transfer of shares, Bpifrance has undertaken to hold on to its Quadient shares for a period of three years and to only acquire or subscribe for Quadient shares up to the threshold of 15% of Quadient's share capital and/or voting rights.

2.7 Practical information for attending the General Meeting

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Pursuant to applicable law, the particular modalities relating to the participation of shareholders in the General Meeting are set out in the articles of association, available on the Company's website. The notice of meeting including the draft agenda and proposed resolutions will be published in the *Bulletin des Annonces Légales Obligatoires* (BALO) and on the Company's website.

All shareholders may participate in the General Meeting, regardless of the number of shares they own, notwithstanding any provisions to the contrary provided for by the articles of association.

The right of shareholders to participate in the General Meeting is conditional on their shares being registered in their name, or in the name of the intermediary acting on their behalf pursuant to paragraph 7 of article L.228-1 and article R.22-10-28 I. of the French Commercial Code, no later than 00:00, Paris time, on the second business day prior to the General Meeting, *i.e.* 12 June 2024, either in the registered share accounts held by the Company or in the bearer share accounts kept by the authorized intermediary.

Registration of the shares in bearer share accounts kept by authorized intermediaries must be evidenced by a certificate of participation issued by such intermediaries, or can be transmitted electronically if applicable under article R.225-61 of the French commercial code. This certificate of participation must be attached to the voting form or the proxy form, or to the request for an admission card in the shareholder's name or that of the broker that manages the share account. Shareholders wishing to attend the Meeting in person and who have not received their requested admission card by 00:00, Paris time, two working days prior to the General Meeting will also be issued a certificate. If shareholders do not wish to attend the General Meeting in person, they may choose one of the following three options:

1. send a proxy vote to the Company without specifying a proxy holder. All proxy votes granted without a specified proxy shall result in a vote for the approval of the draft resolutions presented or accepted by the Board of directors and a vote against all other draft resolutions;
2. authorize a proxy vote by their spouse or partner with whom they have entered into a civil union or a shareholder or any other natural or legal person of their choosing, in accordance with article L.22-10-40 of the French commercial code. Duly completed and signed proxy forms must include the full name and address of the shareholder and their proxy and be mailed along with a photocopy of the shareholder's ID and that of their proxy to Uptevia. The same formalities that apply for granting a proxy apply for withdrawing it.

3. vote by mail either by using the printed form or by using the internet platform Votaccess.

In accordance with the provisions of article R.22-10-24 of the French commercial code, notifications to appoint a proxy holder or withdraw a proxy may also be sent electronically, as follows:

- For registered shareholders: by sending an email with an electronic signature obtained from an accredited certification service provider to: ct-mandataires-assemblees@uptevia.com, indicating their full name, address and Uptevia ID for direct registered share (information printed in the top left-hand corner of share account statements), or indicate their ID with their bank or broker if the case administered registered shares, as well as the full name of the designated proxy holder or the person from whom the proxy is being withdrawn;
- For bearer shareholders: by sending an email with an electronic signature obtained from an accredited certification service provider to: ct-mandataires-assemblees@uptevia.com, indicating their full name, address and full bank details, and the full name of the designated proxy holder or the person from whom the proxy is being withdrawn, and by asking their bank or broker managing the share account to send a written confirmation (by letter) to Uptevia - Service Assemblée Générale - Cœur Défense, 90-110 Esplanade du Général de Gaulle, 92931 Paris la Défense Cedex.

Only duly completed and signed notifications received three days prior to the General Meeting at the latest will be taken into account. In addition, only the aforementioned email address may be used to send notifications to appoint or withdraw proxies; requests or notifications concerning other matters will not be taken into account and/or processed.

Shareholders who have cast a postal vote, appointed a proxy or requested an admission card or share ownership certificate may still sell all or some of their shares at any time. However, if the sale takes place more than two business days prior to the General Meeting, namely 12 June 2024, 00:00, Paris time, the Company will take the appropriate measures to cancel or amend the related postal vote, proxy, admission card or share ownership certificate. The shareholder's bank or authorized intermediary must therefore notify the Company or its registrar of any such sale and provide it with the necessary information.

No sale or other transactions carried out after the second business day prior to the General Meeting, at 00:00, Paris time, irrespective of the method used, will be notified by the authorized intermediary or taken into account by the Company, notwithstanding any agreements to the contrary.

Postal voting forms or proxy forms will be automatically sent by mail to the holders of direct or administered registered shares.

Pursuant to the applicable laws and regulations, all documents that must be made available to shareholders for the purpose of this General Meeting, may be consulted, within the legally prescribed time frames, at the Quadient S.A. head office and on the Company's website: <https://invest.quadient.com/en/annual-general-meetings> or sent on written request to Uptevia.

Bearer shareholders should request a postal/proxy voting form by way of a letter, which must be received by registered mail with acknowledgement of receipt by Uptevia – Service Assemblée Générale – Cœur Défense, 90-110 Esplanade du Général de Gaulle, 92931 Paris la Défense Cedex at least six days prior to the General Meeting.

In order for postal votes to be taken into account, the completed and duly signed postal voting forms must be sent to Uptevia – Service Assemblée Générale – Cœur Défense, 90-110 Esplanade du Général de Gaulle, 92931 Paris la Défense Cedex at least three days prior to the General Meeting.

Shareholders who have cast a postal vote, appointed a proxy or requested an admission card or share ownership certificate will not be able to participate in the General Meeting in any other way, unless the articles of association provide otherwise.

Shareholders may submit written questions to the Company as from the publication date of this Notice. Any such questions must be sent to the Company's head office by

registered mail with acknowledgement of receipt by the fourth business day prior to the date of the General Meeting. A share registration certificate must be attached to the letter. The Board of directors is required to reply to these questions during the General Meeting and a joint response can be given to questions that have the same content. Answers to the questions will be posted on the Company's website at the following address: <https://invest.quadient.com/en/annual-general-meetings>.

Shareholders that meet applicable legal conditions may submit items or draft resolutions for the agenda of the General Meeting by sending a request by registered mail with acknowledgement of receipt, to be received at least 25 calendar days prior to the date of the General Meeting. A share registration certificate must be sent with any such request, evidencing that the applicant holds or represents at least 5% of the Company's capital.

Any draft resolutions proposed by shareholders, as well as a list of any items that have been included in the agenda of the General Meeting further to a shareholder's request, will be published on the Company's website: <https://invest.quadient.com/en/annual-general-meetings>.

In addition, review by the General Meeting of any items or draft resolutions submitted is conditional on the relevant parties providing, on the second business day prior to the date of the General Meeting, no later than 00:00, Paris time, a new certificate evidencing that their shares are registered in accordance with the requirements specified above.

2.8 Statutory auditors' report on related party agreements

Annual General Meeting held to approve the financial statements for the financial year ended 31 January 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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To the Annual General Meeting of Quadient S.A.,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

On the basis of information made available to us, we are responsible for communicating to you the characteristics and essential terms of, and the grounds supporting the Company's interest in, the agreements of which we have been informed of or that we discovered during our assignment, without having to express our own opinion on their utility or appropriateness or being required to seek whether other agreements and commitments exist. Pursuant to article R.225-31 of the French commercial code (Code de commerce), you are responsible for assessing the interest in entering into these agreements and commitments in view of their approval.

In addition, we are responsible for communicating to you the information contemplated by article R.225-31 of the French commercial code (Code de commerce) relating to the performance over the period under review of the agreements already approved by the Annual General Meeting.

We carried out the procedures which we deemed necessary in compliance with the professional standards of the French Institute of statutory auditors (Compagnie nationale des Commissaires aux comptes) relating to this type of engagement.

1. AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

Agreements authorized and entered into during the year

We hereby inform you that we have not been notified of any agreements authorized during the year ended 31 January 2024 to be submitted to the Annual General Meeting for approval in accordance with article L.225-38 of the French commercial code (Code de commerce).

2. AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting and the performance of which may have continued during the year ended 31 January.

Paris-La Défense, on 29 April 2024

The statutory auditors

French original signed by

MAZARS

Francisco SANCHEZ

ERNST & YOUNG et Autres

May KASSIS-MORIN



MANAGEMENT REPORT

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3.1 Review of Quadient's financial position and results in 2023

For the full-year 2023, consolidated sales amounted to 1,062.4 million euros, down 0.8% compared to the full-year 2022. Organic change stood at 1.9%⁽¹⁾ for the period. Subscription-related revenue (70% of the Group's total sales) recorded an organic growth of 3.5% in 2023 compared to 2022.

Current operating income before acquisition-related expenses amounted to 157.4 million euros in 2023 compared to 150.8 million euros in 2022.

Current operating margin stood at 14.8% of sales in 2023 compared to 14.1% in 2022.

Net attributable income amounted to 68.6 million euros in 2023 compared to 13.3 million euros in 2022.

The net margin⁽²⁾ stood at 6.5% of sales in 2023 compared to 1.2% in 2022.

Cash flow after capital expenditure amounted to 64.0 million euros in 2023 compared to 70.0 million euros in 2022.

3.1.1 HIGHLIGHTS

Quadient introduces iX-1 postage meter in U.S. for small business and home offices

On 1 February 2023, Quadient announced the general availability in the U.S. of the Quadient iX-1 postage meter, a compact yet powerful mailing system that combines mail and parcel processing into one user-friendly solution designed for the small office environment.

New Drop Box facilitates returns with Parcel Pending by Quadient lockers in UK; Evri to be the first carrier to use the technology

On 7 February 2023, Quadient introduced an additional feature for its Parcel Pending by Quadient smart lockers that enables shoppers to easily drop off parcels, with the added ability to print shipping labels if needed.

Ferguson selects Quadient's smart lockers for convenient, secure order pickup

On 13 March 2023, Quadient announced Ferguson, a leading distributor providing expertise, solutions, and products from infrastructure, plumbing and appliances to HVAC, fire, fabrication and more, has deployed Parcel Pending by Quadient smart lockers, including the new line of oversized lockers, in direct response to customer demand for a streamlined in-store pickup experience during and outside of regular store hours.

Ferguson operates over 1,500 locations in the United States, serving all fifty states, many with same-day and next-day product availability.

Quadient accelerates growth of cloud-based solutions in the public sector with more than twenty new contracts signed in 2022

On 15 March 2023, Quadient announced growth momentum for its Intelligent Communication Automation solutions among public sector organizations across major geographies. In the 2022 fiscal year that closed 31 January 2023, more than twenty new public sector organizations selected Quadient's cloud-based solutions to manage critical multichannel communications, accounting for nearly 10% of new contracts' value and almost a tenfold increase over 2021.

Already more than 20,000 customers signed up for Switch™, Quadient's secure online mail platform for small businesses

On 29 March 2023, Quadient announced the growth of its digital mail business, supported by Switch™, a cloud-based platform for sending business mail online, replacing traditional document printing and mailing processes, as well as saving valuable time.

Quadient announces its eligibility for PEA-PME scheme

On 31 March 2023, Quadient announced its eligibility for the PEA-PME scheme, as it complies with the criteria for inclusion set by Article L.221-32-2 of the French Monetary and Financial Code. Consequently, investment in Quadient shares can be made through PEA-PME accounts.

¹⁾ The full-year 2023 sales are compared to the full-year 2022 sales, from which is deducted revenue from Graphics activities in the Nordics and Shipping business in France and to which is added the revenue of Daylight for a consolidated amount of (3.6) million euros and are restated for an amount of 25.5 million euros negative currency impact over the period.

²⁾ Net margin = net attributable income/total sales.

New international carrier joins Quadient's open locker network in France

On 6 April 2023, Quadient announced that it has secured a new contract with an international carrier for the use of its open network of smart parcel lockers in France alongside Relais Colis, Quadient's long-time partner in this business.

Quadient expands UK open locker network with two new host partners giving access to more than 1,000 sites

On 12 April 2023, Quadient announced that it will expand its Parcel Pending by Quadient Open Locker Network in the UK, with two new host partners representing more than 1,000 potential sites for lockers:

- APCOA: UK and Ireland's leading parking mobility technology & solutions provider working across transportation, health & education, retail, and local government sectors.
- Rontec: One of the leading players in the UK forecourt industry, operating 264 roadside retail forecourts under the Esso, BP, and Shell brands.

Quadient achieves leader position in 2023 SPARK Matrix for customer communications management

On 17 April 2023, Quadient announced that it has been named by Quadrant Knowledge Solutions as a 2023 technology leader in the SPARK Matrix™: Customer Communication Management, 2023.

Quadient announces AI-based cash application module to accelerate invoice-to-cash processes

On 26 April 2023, Quadient announced the global availability of a new Advanced Cash Application module for Quadient's Intelligent Communication Automation SaaS platform, to offer mid-market and enterprise customers a complete end-to-end Accounts Receivable (AR) automation solution.

Quadient connects its accounts payable solution to Sage 100 to enhance and streamline invoice processing

On 27 April 2023, Quadient announced that its accounts payable automation solution, Quadient Accounts Payable (AP) by Beanworks, is now connected to Sage 100, a leading business management enterprise resource planning (ERP) solution for small and medium-sized businesses.

Quadient recognized for the first time in 2023 Gartner Magic Quadrant for integrated invoice-to-cash applications

On 9 May 2023, Quadient announced that for the first time, it has been recognized by Gartner® in the Magic Quadrant™ for Integrated Invoice-to-Cash Applications for its offering,

Quadient Accounts Receivable (AR) by YayPay. The evaluation was based on specific criteria that analyzed the company's overall completeness of vision and ability to execute.

Quadient awarded Platinum rating by EcoVadis for second year, placing in the top 1% of companies

On 11 May 2023, Quadient announced it has been awarded a Platinum rating by EcoVadis for the second year running. EcoVadis is a leading ratings' organization for sustainability, and its Platinum rating is the highest distinction awarded to the top 1% of performing companies that EcoVadis rates in different industries. EcoVadis assesses more than 100,000 companies in over 175 countries across two hundred industries, evaluating twenty-one sustainability criteria in four core themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

Quadient Reaches Milestone of 200 Installed Smart Locker Solutions at US Higher Education Institutions

On 1 June 2023, Quadient announced it has reached the 200 milestone of installed smart locker solutions at higher education campuses in the USA.

Colleges and universities face an increasing challenge of managing the delivery of large volumes of packages on campus. Parcel Pending by Quadient smart lockers streamline the delivery process, saving higher education institutions staff time and resources while improving the overall student experience.

PacificSource Health Plans Elevates Member Communications with Quadient

On 8 June 2023, Quadient announced that PacificSource Health Plans has implemented Quadient Inspire to reduce manual processes and IT resources required for developing and maintaining renewals, member plan materials and related communications. With Quadient Inspire, PacificSource plans to reduce costs and increase efficiency through automation, increasing the speed of creating and managing thousands of blocks and templates of content, and enhancing member communications.

Revolving credit facility renewed in advance with a new maturity in 2028

On 16 June 2023, Quadient S.A. announced the closing of a 300 million euros syndicated Revolving Credit Facility (RCF).

This Revolving Credit Facility was negotiated with a syndicate of seven international banks. This 300 million euros RCF has an initial tenor of five years, maturing in June 2028, with a 100 million euros accordion feature, bringing the potential total amount of the credit line up to 400 million euros depending on the banks' approval. The new credit facility replaces the existing undrawn 400 million euros RCF, which was set to mature in June 2024.

NBT Norway Selects Quadient to Provide State-of-the-Art Mail Production Facility and Efficiently Manage Parcel Volume Growth

On 20 June 2023, Quadient announced the signature of a large deal with NBT Norway, a prominent transport company, to implement a state-of-the-art, tailor-made mail production line capable of efficiently managing up to 6,000 packages per hour and representing an investment of more than 3 million euros overall.

Quadient signs a 90 million euros stimulus participating loan, at attractive conditions, contributing to the financing of its growing connected equipment platform

On 20 June 2023, Quadient S.A. announced the closing of a 90 million euros stimulus participating loan (Prêt Participatif Relance – PPR). This stimulus participating loan, which was implemented with BNP Paribas, has an 8-year maturity and attractive conditions. It will be dedicated to financing connected equipment under Quadient's subscription business model.

Quadient Secures Top 10 Position in Truffle 100 Ranking of French Software Companies

On 28 June 2023, Quadient announced its continued presence among the top 10 software vendors in France. The recognition comes from the esteemed Truffle 100 ranking, compiled by Truffle Capital and technology group CXP-PAC, in which Quadient has consistently secured its place at the top for seven consecutive years based on the reported software sales revenues of participating companies.

Quadient Software Platform Maintains Leadership Position in Aspire Leaderboard

On 6 July 2023, Quadient has been named a Leader in several segments of the recently updated Aspire Leaderboard™, which showcases the best customer communications management (CCM) and customer experience management (CXM) software vendors.

Quadient Celebrates 1,000th Smart Locker in France and Accelerates Roll-out of Open Network

On 13 July 2023, Quadient announced today it surpassed the 1,000 mark of automated parcel lockers in France. This success is the result of close collaboration with long-standing partners, including pick-up point operator Relais Colis and sports retailer Decathlon.

Quadient applies to Public Finance Department pilot phase to become a Partner Dematerialization Platform in 2024

On 19 July 2023, Quadient announced that it has submitted its application to join the pilot project starting in January 2024,

as part of the process to be a registered Partner Dematerialization Platform by the French tax authorities. This pilot phase will be conducted with selected customers among the thousands of French businesses using Quadient solutions, ahead of the enforcement of the new regulation for electronic invoices.

Bpifrance takes a c.5% stake in Quadient's capital to support its transformation and development strategy

On 27 July 2023, Bpifrance announced that it holds c.5% of Quadient's capital and voting rights. This investment is in line with Bpifrance's strategy to support French companies undergoing transformation and positioned in promising fast-growing activities. By acquiring a stake in Quadient's capital, Bpifrance is demonstrating its confidence in the Company's development strategy in key attractive markets.

Quadient and Yamato transport unveil new joint venture ambitions to expand their leadership for Japan in the coming years

On 31 July 2023, Quadient announced the renewal of its parcel locker joint venture in Japan with Yamato Transport. Created in 2016, the joint venture Packcity Japan is being renewed under an unchanged ownership with 51% of it being owned by Quadient and 49% owned by Yamato Transport.

Quadient positioned as leader in 2023 SPARK Matrix for accounts payable automation and accounts receivable applications

On 7 August 2023, Quadient announced that it has been positioned as a Leader in two global market research reports on Accounts Receivable and Accounts Payable automation software solutions. Produced by management consulting firm Quadrant Knowledge Solutions, the two reports—SPARK Matrix™: Accounts Payable Automation, 2023 and SPARK Matrix™: Accounts Receivable Applications, 2023—give Quadient strong ratings across the parameters of technology excellence and customer impact.

Quadient Invests in Artificial Intelligence (AI) Capabilities Leveraging Microsoft Azure AI Services to Power up its Cloud Platform

On 24 August 2023, Quadient announced the integration of its Intelligent Communication Automation (ICA) platform with Microsoft Azure AI, a portfolio of artificial intelligence (AI) services designed for developers and data scientists backed by a secure environment and responsible AI principles. The integration of generative AI into Quadient's cloud platform will further contribute to transforming the way organizations engage with their customers.

Quadient Partners with REPAY to Deliver Exceptional Payment Experiences with Accounts Payable Automation Solution

On 8 September 2023, Quadient announced a technology partnership with Atlanta-based Repay Holdings Corporation (NASDAQ: RPAY) ("REPAY"), a leading provider of vertically-integrated payment solutions, to enhance the payment experience within Quadient's cloud-based accounts payable (AP) automation solution. REPAY serves multiple Business Payments verticals in North America, including retail automotive, education, field services, governments and municipalities, healthcare, media, homeowner association management and hospitality.

Decarbonizing delivery: more than 300 Quadient parcel lockers added to UPS France's pickup points network

On 12 September 2023, UPS and Quadient announced their strategic partnership, giving UPS access to Quadient's parcel locker open network throughout France. This collaboration will enable UPS to complement its French pickup points network, currently the logistic company's largest in Europe, comprising more than 6 150 UPS Access Points. Quadient, whose parcel locker business already boasts over 1,000 units in France, is continuing to roll out its open network available to the various parcel logistic players.

Quadient Enriches Customer Communication Cloud Solution with Acquisition of Intelligent Form Technology

On 18 September 2023, Quadient announced the introduction of Quadient Inspire iForms, a new intelligent forms capability added to its Customer Communication Management (CCM) solution Quadient Inspire, following the acquisition of Daylight Automation.

Daylight Automation, formerly FormHero, is a cloud-based low-code platform that allows organizations to rapidly build and deploy personalized digital solutions. Their customer base spans across key customer-centric industries such as banking and insurance, including three major financial institutions in Canada. Both companies had been collaborating closely since their partnership announced in 2022. The addition of this new intelligent form capacity to Quadient Inspire will bring enhanced benefits to companies looking for cloud-based solutions that help create engaging customer experiences at scale.

Quadient selected as French Social Security National Agency exclusive supplier for mail management solutions

On 28 September 2023, Quadient announced having won a major tender for the French Social Security National Agency (UCANSS). The 4-year framework agreement gives Quadient the exclusive mandate to supply a variety of mailing, inserting and letter-opening equipment to organizations affiliated to the French Social Security body.

Real estate company Galimmo partners with Quadient to simplify parcel delivery and collection at its shopping centers in France

On 9 October 2023, Quadient announced that Galimmo, a real estate company that owns the shopping centers adjacent to Cora hypermarkets in France, will soon be offering Parcel Pending by Quadient smart parcel delivery within its French network.

Quadient Partners with MFG in the UK, Expanding Innovative Open Locker Network

On 12 October 2023, Quadient announced a new partnership with Motor Fuel Group (MFG). MFG, one of the UK's leading independent forecourt operators, will start hosting a number of Parcel Pending by Quadient Open Network Lockers in the coming weeks, offering 24/7 delivery and pickup for carriers and consumers across the UK.

Partial purchase by Quadient under its 325,000,000.00 euros; 2.25% notes due 2025

On 19 October 2023, Quadient has proceeded to a partial purchase under the notes issued by Quadient on the 23rd of January 2020 for an amount of 325,000,000.00 euros at a rate of 2.25% due 3rd February 2025 (ISIN code FR0013478849) (the "Notes"). The nominal amount purchased by Quadient is 34,200,000.00 euros.

The outstanding nominal amount of the Notes after this partial purchase was 290,800,000.00 euros.

On 9 November 2023, Quadient has proceeded to a partial purchase under the notes issued by Quadient on the 23rd of January 2020 for an amount of 325,000,000.00 euros at a rate of 2.25% due 3rd February 2025 (ISIN code FR0013478849) (the "Notes"). The nominal amount purchased by Quadient is 12,200,000.00 euros.

The outstanding nominal amount of the Notes after this partial purchase is now 278,600,000.00 euros.

Quadient Secures Good Position in the 2023 Top 250 Ranking of French Software Companies

On 9 November 2023, Quadient announced it has maintained its 15th position in this year's Top 250 ranking of French software companies, also placing fifth in the 'Horizontal Publishers' category. The ranking takes into account 2022 software-related revenues reported by 275 software companies, including licences, subscriptions and services.

Quadient Announces Partnership with Altares in France, Integrating Enriched Business Decisioning Data in AR Automation Solution

On 16 November 2023, Quadient announced a new partnership to enhance its accounts receivable (AR) automation offering with Altares, a business data expert that designs decisioning solutions and analytics of the economic performance of private and public-sector organizations. Altares, a member of the international Dun & Bradstreet network, draws on a database of more than 500 million companies worldwide to facilitate decision-making by general and operational management.

Quadient surpasses 200 million euros in Software Annual Recurring Revenue at the end of the third quarter 2023

On 30 November 2023, Quadient announced it has reached a significant milestone as its Software Annual Recurring Revenue (ARR), a forward-looking indicator of future subscription revenue, surpassed 202 million euros at the end of the third quarter of the 2023 fiscal year, started on 1st February 2023.

Quadient expands cloud-based Mail and Shipping offer to mid and small businesses with S.M.A.R.T. Essential

On 4 December 2023, Quadient announced the release of its latest intelligent, cloud-based mailing and multicarrier shipping solution: S.M.A.R.T. Essential. This new subscription-based solution brings Quadient's S.M.A.R.T. mailroom software, already a leading solution in large-sized company mail centers, to mid-sized and small businesses.

Quadient's Open Parcel Locker Network Selected as Partner for UPS Access Point Expansion in the UK

On 7 December 2023, Quadient is pleased to share that UPS has selected its Parcel Pending by Quadient open locker network as one of their partners for the expansion of its UPS Access Point® network across the UK. The global package delivery leader has recently announced it will be opening additional locations for deliveries just in time for the holiday peak season.

Quadient integrates with Xero to automate and streamline accounting for small and medium enterprises

On 19 December 2023, Quadient announced a strategic partnership in North America and the United Kingdom. Xero integrates with Quadient's Accounts Payable (AP) capabilities to fully automate and streamline accounting processes. Xero is a cloud-based accounting software for small to medium-sized enterprises.

Appointment of New Chief Marketing Officer, Petra Wolf

On 2 January 2024, Quadient announced the appointment of Petra Wolf as new Chief Marketing Officer, effective 2 January 2024.

With a professional journey spanning more than 20 years, Petra Wolf has excelled in senior management positions within the spheres of B2B and B2C technology marketing. Her seasoned expertise extends across various tech-related industries, encompassing semi-conductors, server and client hardware, consulting, and software development. Prior to joining Quadient, Petra successfully steered Global Marketing for Small and Medium Businesses at Amazon Web Services, where she demonstrated her ability to identify and capitalize on market opportunities through innovative sales and marketing strategies.

3.1.2 INCOME STATEMENT

(In million euros)	31 January 2024		31 January 2023	
Sales	1,062.4	100.0%	1,071.1	100.0%
Cost of sales	(274.4)	(25.8)%	(286.0)	(26.7)%
Gross margin	788.0	74.2%	785.1	73.3%
R&D expenses	(63.2)	(5.9)%	(57.5)	(5.4)%
Sale and marketing expenses	(275.4)	(25.9)%	(273.9)	(25.6)%
Administrative expenses	(176.3)	(16.6)%	(185.0)	(17.3)%
Service and support expenses	(108.6)	(10.2)%	(112.3)	(10.5)%
Employee profit-sharing and share-based payments and other expenses	(7.2)	(0.7)%	(5.6)	(0.5)%
Current operating income excluding expenses related to acquisitions	157.4	14.8%	150.8	14.1%
Expenses related to acquisitions	(10.7)	(1.0)%	(10.3)	(1.0)%
Current operating income	146.7	13.8%	140.4	13.1%
Structure optimization expense and other operating expenses	(14.6)	(1.4)%	(73.2)	(6.8)%
Operating income	132.1	12.4%	67.3	6.3%
Financial income/(expenses)	(31.2)	(2.9)%	(35.5)	(3.3)%
Income before taxes	101.0	9.5%	31.7	3.0%
Share of results of associated companies	(0.4)	(0.0)%	0.9	0.1%
Income taxes	(16.7)	(1.6)%	(16.7)	(1.6)%
Net income from continuing operations	83.9	7.9%	15.9	1.5%
Net income from discontinued operations	(13.7)	(1.3)%	(0.1)	(0.0)%
NET INCOME	70.2	6.6%	15.8	1.5%
Attributable to:				
• holders of the parent company	68.7	6.5%	13.3	1.2%
• non-controlling interests	1.5	0.1%	2.5	0.2%

3.1.3 CHANGE IN SALES AND CURRENT EBIT BY ACTIVITY

Group sales came in at 1,062.4 million euros in the full-year 2023, a **1.9% organic growth** compared to the full-year 2022 and a (0.8)% decrease on a reported basis. Organic growth was in line with the guidance of c.2% revised in November 2023. The reported growth includes a negative currency impact of 25.5 million euros and a negative scope effect of 3.6 million euros. The change in scope is related to the divestments of the Graphic activities in the Nordics and the Shipping business in France, both sold in June 2022 as well as

the acquisition of Daylight in September 2023. The full-year 2023 financial statements reflect Quadient's decision to review the future of its Mail activity in Italy with a view to divest this subsidiary within the next 12 months. Therefore, the P&L contribution of the above-mentioned subsidiary is presented as discontinued operations. The full-year 2022 financial statements have been restated for comparison purposes.

Sales

(In million euros)	2023	2022	Change	Organic change
Intelligent Communication Automation	245.0	227.1	+7.9%	+9.0%
Mail-Related Solutions ^(a)	729.0	747.2	(2.4)%	(0.2)%
Parcel Locker Solutions ^(a)	88.4	91.3	(3.1)%	+1.6%
Other solutions divested	0	5.5	n/a	n/a
GROUP TOTAL	1,062.4	1,071.1	(0.8)%	+1.9%

(a) Mail-Related Solutions and Parcel Locker Solutions now include activities previously accounted for in Additional Operations

Current EBIT^(a) and current EBIT^(a) margin

	2023		2022	
(In million euros)	Current EBIT	Current EBIT margin	Current EBIT	Current EBIT margin
Intelligent Communication Automation	0.8	0.3%	(10.2)	(4.5)%
Mail-Related Solutions ^(b)	177.4	24.3%	186.7	25.0%
Parcel Locker Solutions ^(b)	(20.7)	(23.4)%	(25.4)	(27.8)%
Other solutions divested	-	-	(0.3)	(5.3)%
GROUP TOTAL	157.4	14.8%	150.8	14.1%

(a) Before acquisition-related expenses

(b) Mail-Related Solutions and Parcel Locker Solutions now include activities previously accounting for in Additional Operations

Intelligent Communication Automation

In the full-year 2023, sales from Intelligent Communication Automation reached 245.0 million euros, up 9.0% organically and up 7.9% on a reported basis compared to the full-year 2022.

Subscription-related revenue recorded a strong 16.8% organic growth, now representing 80% of Intelligent Communication Automation total sales, a significant increase compared to 75% in the full-year 2022. The successful onboarding of 4,000+ cloud customers on the new Quadient Hub since April 2023 has been a key supportive factor for the upsell of additional modules of the Hub to existing customers. At c.+10% in the full-year 2023, usage has increased further. The share of SaaS customers also improved, reaching 82% at the end of the full-year 2023.

The change in business model from on-premise licences to SaaS and the lower requirements for installation and support services continue to drive the decline in professional services and licence sales, which, together, are now representing only 13% and 7% of total revenue, respectively.

At the end of the full-year 2023, annual recurring revenue (ARR), which is a forward-looking indicator of future subscription-related revenue, reached 206.0 million euros, up from 187.2 million euros at the end of the full-year 2022, representing a 12.1% organic ⁽¹⁾ growth compared to the end of the full-year 2022. Organic growth for the year was impacted by the postponement of two large contracts recorded in Q3 2023.

Throughout the full-year 2023, Quadient continued to sign significant partnerships, notably with Altares and Coface, to offer highly accurate company rating and credit analysis for its Accounts Receivable module. Quadient financial automation modules are now also recommended to Sage Intacct customers and partners, with Quadient reaching Sage Tech Partner plus status. In addition, Quadient solutions are now integrated with global small business platform Xero, offering their customers access to Quadient's Accounts Payable automation capabilities to drive efficiencies.

In the course of the year, Quadient Software product offering benefited from continuous improvements with:

- the launch of the Quadient Hub
- the addition of Daylight, acquired in Q3 2023, rebranded Inspire iForms and subsequently relaunched;

¹⁾ The full-year 2023 ARR was impacted by a 4.0 million euros negative currency effect vs. 31 January 2023.

- enhanced Cash Application module with machine learning and new next-gen payment user interface;
- on-premise solutions enhanced with private cloud deployment options.

Current EBIT before acquisition-related expenses for Intelligent Communication Automation achieved a **significant milestone, by reaching profitability**, at 0.8 million euros, i.e. a **current EBIT margin⁽¹⁾ of 0.3%**, up 4.8 points compared to the full-year 2022. This solid improvement comes as Quadient's Software Solution has almost completed its transition from on-premise licences to SaaS. It confirms the upturn in profitability trend seen since the inflexion point in H2 2022, despite continued investments in R&D and product developments. The improving profitability trend is expected to continue in the full-year 2024 supported by a good level of SaaS bookings.

Mail-Related Solutions

Mail-Related Solutions sales reached 729.0 million euros in the full-year 2023, down only (0.2)% on an organic basis and down (2.4)% on a reported basis. North America and International recorded strong performances with year-over-year organic growth, while Main European Countries showed a contained decline thanks to improving trends in France/Benelux.

Hardware sales recorded a **2.1% organic growth in the full-year 2023**, with a solid performance in the fourth quarter, notably a double-digit increase in the United States. The focus on investing into renewing the products offering continues to support solid product placements, as seen in the further increase in the **share of the upgraded installed base, reaching 31.5%** at the end of the full-year 2023 vs. 19.9% at the end of the full-year 2022.

Subscription-related revenues (68% of Mail-Related Solution sales) recorded a **limited (1.3)% organic decline** in the full-year 2023, thanks to a solid performance throughout the year, supported both by robust rental product placements and the positive impact on recurring revenue of recent good performance in hardware sales. Solid year-over-year increase in bookings throughout the full-year 2023 reflect the focus on maintaining an efficient go-to-market, drawing in particular on innovative products. The multiple contracts recently won within the US healthcare industry highlight how Quadient Mail-Related Solutions is able to strengthen its position in an attractive industry with critical communications needs.

Current EBIT before acquisition-related expenses for Mail-Related Solutions was 177.4 million euros for the full-year 2023. Current EBIT margin⁽²⁾ reached **24.3%**. The level of profitability of Mail-Related Solutions remains high

despite investments in sales capabilities. Tight cost control and continued focus on remanufacturing, as well as the increased penetration of the new generation of mail equipment all contributed to this strong performance.

Parcel Locker Solutions

Parcel Locker Solutions sales reached 88.4 million euros in the full-year 2023, a 1.6% increase on an organic basis and a (3.1)% decrease compared to the full-year 2022.

Quadient's **global locker installed base reached c.20,200 units** at the end of the full-year 2023 vs. c.18,000 units at the end of the full-year 2022. Over the 2021-2023 period, it represents **an 18% average increase per annum**.

Subscription-related revenues were up 5.3% organically in the full-year 2023, benefiting from the contribution of the existing installed base and the deployment of existing contracts. Subscription-related revenue stood at 61% of total revenue for Parcel Locker Solutions in the full-year 2023 and the usage rate of the platform remained solid, standing at 58% in the full-year 2023.

The full-year 2023 has been a **year of transition** for Parcel Locker Solutions with two material events:

1. **An increased focus on open-networks in France and in the UK**, and
2. The renewal in July 2023 of the joint-venture with Yamato with **significant changes brought to the commercial agreement** – from a mostly fixed rental model to a fee per parcel model (based on usage consumption) – to maximize volume usage.

Consequently, the full-year 2023 performance reflects these changes. Based on strong relationships with a significant number of international carriers, the open network strategy is aiming at growing both usage & the installed base through:

- **Securing volumes** with international carriers (GLS, Evri, UPS, DHL, Yamato Transport...);
- **Prime locations** to install parcel lockers.

Solid volumes ramp up into the existing open networks and continuous efforts to secure prime locations and **accelerate lockers deployment** should drive future growth in subscription-related revenue.

Licence and hardware sales were down (7.5)% organically in the full-year 2023. Hardware sales suffered from high comparison basis due to one off deals in the full-year 2022. Quadient's US multifamily business, however, has continued to grow at a steady pace in the full-year 2023.

1) Current operating income before acquisition-related expenses/ sales.

2) Current operating income before acquisition-related expenses/ sales.

Current EBIT before acquisition-related expenses for Parcel Locker Solutions was negative at (21.7) million euros in the full-year 2023, compared to (25.4) million euros in the full-year 2022, i.e. **an EBIT margin⁽¹⁾ of (23.4)%, improving by 4.4 points** compared to the full-year 2022. The improvement in operating profitability was led by gross

margin expansion through efficiency measures and lower freight costs. Profitability is expected to continue improving in 2024. Lastly, **profitability of the installed base** continues to increase year-over-year, standing at 13.6% in the full-year 2023 vs. 12.5% in the full-year 2022.

3.1.4 CHANGE IN SALES BY GEOGRAPHY

In million euros	2023	2022	Change	Organic change
North America	607.5	599.2	+1.4%	+4.5%
Main European countries ^(a)	353.6	356.4	(0.8)%	(2.4)%
International ^(b)	101.4	115.5	(12.3)%	+1.9%
TOTAL GROUP	1,062.4	1,071.1	(0.8)%	+1.9%

^(a) Including Austria, Benelux, France, Germany, Ireland, Italy, Switzerland, and the United Kingdom.

^(b) International includes the activities of Intelligent Communication Automation, Mail-Related Solutions and Parcel Locker Solutions outside of North America and the Main European countries as well as divested other solutions previously recorded under Additional Operations.

Sales in **North America** (57% of Group sales) were up 4.5% organically and 1.4% on a reported basis to 607.5 million euros. All three Solutions posted organic growth in the full-year 2023. **Intelligent Communication Automation** was the main contributor to the growth in the region with a solid double-digit organic growth. Penetration of Quadient's cloud-based solutions continues to be well-supported by successful cross-selling from the Mail customer base. **Mail-Related Solutions** continued to show positive performance, benefiting from the solid penetration of recently launched products meeting the requirements brought by the ongoing USPS decertification.

Main European countries (33% of Group sales) were down by (2.4)% organically and (0.8)% on a reported basis to 353.6 million euros, due to a limited decline from Mail-Related Solutions, and despite:

- The positive contribution from Intelligent Communication Automation with a good penetration of recently launched products, and
- Organic growth in Parcel Locker Solutions supported by both the ramp up in volumes in the open networks and the on-going deployment of existing contracts.

Finally, the **International** segment (10% of Group sales) delivered a 1.9% organic growth, to 101.4 million euros, thanks to solid performance in Intelligence Communication Automation and Mail-Related Solutions partially compensated by both the impact from the change in contractual agreement with Yamato and the temporary slowdown in the expansion of the Japanese lockers network.

3.1.5 RESEARCH AND DEVELOPMENT EFFORT

Research and development expenses amounted to 63.2 million euros in 2023 compared to 57.5 million euros in 2022, representing 5.9% and 5.4% of 2023 and 2022 sales respectively. The expenses presented in the income statement do not reflect the whole effort as a part of the amount of R&D expenses is capitalized: 33.3 million euros in 2023 compared to 35.6 million euros in 2022. The main focus of research and development is in digital communications and parcel lockers. The Group also continues to dedicate a part of its research and development effort to the future generations of franking machines and folders-inserters.

3.1.6 CURRENT OPERATING INCOME ⁽¹⁾

Gross margin increased to 74.2% in the full-year 2023 from 73.3% in the full-year 2022. Improvement was mainly driven by supply chain efficiency, cost control measures and positive volume/mix effect.

Current operating income before acquisition-related expenses (current EBIT⁽¹⁾) **increased for the third consecutive year on a reported basis**, reaching 157.4 million euros in the full-year 2023 compared to 150.8 million euros in the full-year 2022. Current EBIT⁽¹⁾ was up 4.4% on a reported basis and **up 9.3% on an organic basis, in line with the c.10% organic growth guidance** for the year. Current operating margin before acquisition-related expenses stood at 14.8% of sales in the full-year 2023 compared to 14.1% in the full-year 2022. The Group's improvement in operating profitability was achieved **without compromising on R&D spending** and despite further investments in go-to-market.

¹⁾ Current operating income before acquisition-related expenses.

Acquisition-related expenses increased slightly to 10.7 million euros in the full-year 2023, compared to 10.3 million euros in the full-year 2022. Consequently, **current operating income** stood at 146.7 million euros in the full-year 2023, compared to 140.4 million euros in the full-year 2022.

3.1.7 OPERATING INCOME

Optimization costs and other operating expenses stood at 14.6 million euros in the full-year 2023, versus 73.2 million euros in the full-year 2022 which was impacted by goodwill impairment and corporate office restructuring.

Consequently, operating income reached 132.1 million euros in the full-year 2023, versus 67.3 million euros recorded in the full-year 2022.

3.1.8 FINANCIAL INCOME

Net cost of debt was slightly up year-on-year at 29.0 million euros, against 26.9 million euros in the full-year 2022. Higher interest rates on the variable portion of the debt (one third of Quadient's debt) and the **c.2 million euros financial gain on the partial 57 million euros buy back of the 2025 bond** over the October 2023 - January 2024 period were the main factors behind the variation.

The currency gains & losses and other financial items were a loss of (1.1) million euros in the full-year 2023 versus a loss of (3.9) million euros in the full-year 2022. Overall, net financial result was a loss of 31.2 million euros in the full-year 2023 compared to a loss of 35.5 million euros in the full-year 2022.

3.1.9 NET INCOME

Income tax expense was stable year-over-year at 16.7 million euros in the full-year 2023 and benefited from a positive impact of internal IP transfer in 2023. The **corporate tax rate** dropped to 16.6% in the full-year 2023 compared to 54.8% in the full-year 2022. The full-year 2022 level was impacted by the low level of income before tax due to goodwill impairments.

Net income from discontinued operations of the Mail Italian subsidiary amounts to (13.7) million euros, level which also includes exceptional charges linked to the sale process for this subsidiary.

Net attributable income after minority interest amounted to 68.6 million euros in the full-year 2023 compared to 13.3 million euros in the full-year 2022.

Earnings per share⁽¹⁾ from continued operations came in at 2.42 euros in the full-year 2023 compared to 0.30 euro in the full-year 2022. The fully diluted earnings per share⁽¹⁾ was 2.41 euros.

Earnings per share⁽¹⁾ stood at 2.02 euros in the full-year 2023 compared to 0.29 euro in the full-year 2022. The fully diluted earnings per share⁽¹⁾ was 2.01 euros.

Proposed dividend for the full-year 2023 stands at 0.65 euro per share, representing an 8% increase against the full-year 2022. This would be the third consecutive year of growth for Quadient's dividend. The dividend is subject to approval by the Annual General Meeting, scheduled for 14 June 2024, and will be paid in cash in one instalment on 7 August 2024.

3.1.10 FINANCIAL POSITION

EBITDA⁽²⁾ reached 244.4 million euros in the full-year 2023, representing a slight increase compared to the full-year 2022, hence an EBITDA margin at 23.0% in the full-year 2023, vs 22.4% in the full-year 2022.

The change in working capital was negative by 5.8 million euros in the full-year 2023 compared to a net cash outflow of 39.5 million euros in the full-year 2022, mostly reflecting an improvement in stock levels after end of the full-year 2022 level was impacted by high locker and mail inventories due to delays in placements.

The leasing portfolio and other financing services stood at 597.9 million euros as of 31 January 2024, compared to 594.8 million euros as of 31 January 2023, thanks to the solid performance of the Mail activity and a small positive currency impact. On an organic basis, the leasing portfolio is stable year-over-year. At the end of the full-year 2023, the default rate of the leasing portfolio stood at around 1.3% compared to c.1.6% at the end of the full-year 2022.

Interest and taxes paid increased significantly to 54.8 million euros in the full-year 2023 versus the low amount of 34.8 million euros paid in the full-year 2022. The difference was mostly explained by the reimbursement of the 2020 tax loss carry-back measures in the US in the first half of 2022 as well as the impact from higher interest rates in the full-year 2023.

Capital expenditure was up to 101.1 million euros in the full-year, compared to 87.4 million euros in the full-year 2022. Development capex was down slightly at 33.3 million euros in the full-year 2023, vs 35.6 million euros in the full-year 2022, back to a normalized level after high levels experienced in 2022 and 2021. Equipment capex was strongly up year-over-year at 44.0 million euros in the full-year 2023, compared to 29.9 million euros in the full-year 2022, thanks to the sustained level of Mail-Related Solutions hardware placements, as well as the focus on deployment of open locker networks. Maintenance capex is slightly down, at 10.3 million euros. The increase in capex linked to IFRS16 was driven by new office leases.

All in all, cash flow after capital expenditure was down to 64.0 million euros in the full-year 2023 compared to 70.0 million euros in the full-year 2022.

¹⁾ For the full-year 2023, the average compounded number of shares is 34,520,833.

²⁾ EBITDA = current operating income + provisions for depreciation of tangible and intangible fixed assets.

3.1.11 OPENING BALANCE SHEET ADJUSTMENTS UPDATE

As disclosed in the first half-year 2023 results press release ⁽¹⁾, released on 20 September 2023, at the time of closing the accounts for the first half of 2023, Quadient identified accounting irregularities and practices that did not comply with Group procedures and were attributable to Mail-Related Solutions' Italian and Swiss subsidiaries.

The investigation, initiated by Quadient in August 2023 in Italy and in Switzerland and conducted both internally and with the support of recognized external experts, is now completed. At the close of the full-year 2023, the conclusions of this investigation are as follows:

- Active involvement of a few employees responsible for the management of the Italian and Swiss Mail-Related Solutions subsidiaries,
- Containment of these accounting irregularities to these local subsidiaries, and
- Absence of any material impact on the full-year 2022 and the full-year 2023 income statements.

As a result of the investigation carried out, the Group has recorded additional adjustments for 23 million euros to the

accounts of these local subsidiaries relating to previous financial years and recognized in shareholders' equity in the full-year 2022 opening balance sheet (after the 29 million euros adjustment recorded in the first half of 2023).

As the investigation is now closed, Quadient does not anticipate any additional financial impact on its historical financial statements. The Company has filed a criminal complaint against those believed to be involved and continues to reserve all rights in this matter.

In addition and considering the conclusion of the investigation carried out in Italy and in Switzerland (notably showing that the accounting adjustments impacted mostly the accounts of the Italian subsidiary), the Group decided in January 2024 to review the future of its Mail-Related Solutions activity in Italy and is engaged in the path of divesting this subsidiary within the next 12 months. Consequently, the assets and liabilities of this wholly owned subsidiary are presented in the financial accounts for the year ending 31 January 2024 as assets and liabilities held for sale as per IFRS 5. **Its profit and loss accounts and cash flow statements are presented as discontinued operations.** The full-year 2022 financial statements have been restated to reflect this decision.

3.1.12 LEVERAGE AND LIQUIDITY POSITION

Net debt stood at 709.4 million euros as of 31 January 2024, a decrease against the 735.5 million euros of net financial debt recorded as of 31 January 2023 and adjusted for the aforementioned accounting corrections. In June 2023, the Group renewed its Revolving Credit Facility for an amount of 300 million euros with a new 5-year maturity. A 90 million euros stimulus participating loan was also signed in June 2023. From October 2023 to January 2024, Quadient proceeded to a partial bond buy-back for a total amount of 57 million euros generating a financial gain c.2 million euros.

The Group has no significant debt maturity before 2025, when its 2.25% bond is maturing.

The leverage ratio (net debt/EBITDA) decreased from 3.0x ⁽²⁾ as of 31 January 2023 to 2.9x ⁽²⁾ as of 31 January 2024. Excluding leasing, Quadient leverage ratio improved from 1.8x ⁽²⁾ as of 31 January 2023 to 1.65x ⁽²⁾ as of 31 January 2024, therefore exceeding the 1.75x target set early 2021 for the end of the full-year 2023.

As of 31 January 2024, the Group had a robust liquidity position of 418.6 million euros, split between 118.6 million euros in cash and a 300 million euros undrawn credit line, the latter maturing in 2028.

Shareholders' equity stood at 1,069.0 million euros as of 31 January 2024 compared to 1,029.6 million euros ⁽³⁾ as of 31 January 2023 and adjusted for the aforementioned accounting corrections. The gearing ratio ⁽⁴⁾ stood at 77.4% as of 31 January 2024.

¹⁾ Click here to access the first half-year 2023 press release, published on 20 September 2023.

²⁾ Including IFRS 16.

³⁾ The full-year 2022 balance sheet has been restated for a total amount of 51.8 million euros linked to accounting corrections in relation to accounting irregularities and practices that did not comply with Group procedures in the Mail-Related Solutions Italian and Swiss subsidiaries.

⁴⁾ Net debt / shareholders' equity.

3.1.13 DIVIDEND

As part of its "Back to Growth" strategy, Quadient has decided, as part of its shareholder return policy, to set its annual pay-out ratio at a minimum of 20% of the Group attributable net income with the minimum annual dividend set at an absolute floor of 0.50 euro per share.

The dividend proposal related to the 2023 financial year will be submitted to the approval of shareholders at the General Meeting on 14 June 2024.

	Date ^(a) of the interim dividend	Amount of the interim dividend	Date ^(a) of the balance of the dividend	Amount of the balance of the dividend	Amount of the full year dividend
2023	-	-	07/08/2024	-	EUR 0.65
2022	-	-	07/08/2023	-	EUR 0.60
2021	-	-	08/08/2022	-	EUR 0.55
2020	-	-	09/08/2021	-	EUR 0.50
2019	-	-	09/09/2020	-	EUR 0.35
2018	-	-	06/08/2019	-	EUR 0.53

(a) Payment date

3.1.14 SHARE BUYBACK PROGRAM

A share buyback program involving a maximum of 10% of the issued share capital at a maximum purchase price of 50 euros could be presented for approval to the Annual General Meeting to be held on 14 June 2024.

3.2 Ownership structure

Quadiant S.A. is not controlled either directly or indirectly. There is no agreement which might lead to a change of control.

To the best knowledge of the Company, as of 31 January 2024, Quadiant S.A.'s share ownership was as follows:

	Number of shares ^(a)	%	Number of exercisable voting rights in general meetings ^(b)	%
Vesa Equity Investment SARL (Luxembourg) ^(c)	4,203,000	12.194%	4,203,000	12.223%
Teleios Capital Partners GmbH ^(c)	3,451,100	10.012%	3,451,100	10.037%
Bpifrance Participations ^{(c)(d)}	2,800,000	8.123%	2,800,000	8.143%
Janus Henderson Investors (U.K.) ^(c)	1,432,700	4.156%	1,432,700	4.167%
Dimensional Fund Advisors, L.P. (U.S.) ^(c)	1,358,600	3.942%	1,358,600	3.951%
The Vanguard Group, Inc. ^(c)	1,268,000	3.679%	1,268,000	3.688%
Wellington Management Company, LLP ^(c)	1,134,100	3.290%	1,134,100	3.298%
Management and employees	290,260	0.842%	290,260	0.844%
Directors (non-executive)	34,391	0.100%	34,391	0.100%
Treasury shares held under liquidity contract	72,416	0.210%	-	-
Treasury shares held for stock option and free share allocations	11,037	0.032%	-	-
Other shareholders	18,413,308	53.420%	18,413,308	53.550%
TOTAL	34,468,912	100.000%	34,385,459	100.000%

(a) The number of shares composing the share capital is equal to the number of theoretical voting rights

(b) Not including the voting rights attached to treasury shares

(c) Source: IHS Markit as of 31 January 2024

(d) Bpifrance Participations is controlled by Bpifrance SA, itself jointly controlled at 49.2% by Caisse des Dépôts et Consignations and 49.2% by the EPIC Bpifrance.

To the Group's knowledge, as of 31 January 2024, no other shareholder, apart from those listed in the table above, owned directly or indirectly, alone or in concert, more than 3% of the share capital or voting rights.

CHANGE IN THE DISTRIBUTION OF THE SHARE CAPITAL AND VOTING RIGHTS OVER THE LAST THREE FISCAL YEARS

To the best knowledge of the Company, the breakdown of the Company's share capital and voting rights (in percentage), over the last three fiscal years, was as follows:

	31 January 2023		31 January 2022		31 January 2021	
	Participation ^(a)	Number of exercisable voting rights in general meetings ^(b)	Participation ^(a)	Number of exercisable voting rights in general meetings ^(b)	Participation ^(a)	Number of exercisable voting rights in general meetings ^(b)
Management and employees	0.81%	0.81%	0.65%	0.65%	1.27%	1.28%
Directors (non-executive)	0.10%	0.10%	0.06%	0.06%	0.04%	0.04%
Treasury shares held under liquidity contract	0.15%	-	0.48%	-	0.45%	-
Treasury shares held for stock option and free share allocations	0.06%	-	0.28%	-	0.06%	-
Teleios Capital Partners GmbH ^(c)	14.00%	14.03%	13.96%	14.07%	15.33%	15.41%
Janus Henderson Investors (U.K.) ^(c)	5.34%	5.35%	5.57%	5.62%	3.39%	3.41%
Dimensional Fund Advisors, L.P. (U.S.) ^(c)	4.07%	4.08%	4.41%	4.45%	3.92%	3.94%
M&G Investment Management, LTD ^(c)	3.58%	3.59%	3.05%	3.07%	n/a ^(d)	n/a ^(d)
The Vanguard Group, Inc. ^(c)	3.44%	3.45%	3.07%	3.10%	n/a ^(d)	n/a ^(d)
Wellington Management Company, LLP ^(c)	3.13%	3.14%	3.13%	3.16%	n/a ^(d)	n/a ^(d)
Marathon Asset Management, LTD ^(c)	n/a ^(d)	n/a ^(d)	3.41%	3.43%	3.52%	3.52%
Norges Bank Investment Management (Norway) ^(c)	n/a ^(d)	n/a ^(d)	n/a ^(d)	n/a ^(d)	3.81%	3.83%
LLB Asset Management AG ^(c)	n/a ^(d)	n/a ^(d)	n/a ^(d)	n/a ^(d)	3.74%	3.76%
Other shareholders	65.33%	65.47%	61.93%	62.40%	64.47%	64.79%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
TOTAL IN NUMBER	34,468,912	34,395,431	34,562,912	34,302,849	34,562,912	34,389,545

(a) The number of shares composing the share capital is equal to the number of theoretical voting rights

(b) Not including the voting rights attached to treasury shares

(c) Source: IHS Markit

(d) Percentage of ownership equal to 0% or below 3%

The percentages shown in the here-above table are rounded to the nearest decimal. As a consequence, the sum of the rounded values may be insignificantly different to the total reported.

During the fiscal year 2023, Quadient was notified by its shareholders of the following statutory and legal thresholds being crossed:

STATUTORY THRESHOLD CROSSING

Date	Name of Investment Fund	Statutory threshold crossed
21/03/2023	Bpifrance Participations ^(a)	Crossed upward the 3% threshold in capital and voting rights
11/05/2023	Bpifrance Participations ^(a)	Crossed upward the 4% threshold in capital and voting rights
22/05/2023	M&G plc	Crossed downward the 3% threshold in capital and voting rights
09/08/2023	Bpifrance Participations ^(a)	Crossed upward the 6% threshold in capital and voting rights
18/09/2023	VESA Equity Investment S.à.r.l	Crossed upward the 3% threshold in capital and voting rights
21/09/2023	Bpifrance Participations ^(a)	Crossed upward the 7% threshold in capital and voting rights
26/09/2023	VESA Equity Investment S.à.r.l	Crossed upward the 4% threshold in capital and voting rights
25/10/2023	VESA Equity Investment S.à.r.l	Crossed upward the 6% threshold in capital and voting rights
27/10/2023	Bpifrance Participations ^(a)	Crossed upward the 8% threshold in capital and voting rights
08/11/2023	Teleios Capital Partners LLC	Crossed downward the 13% threshold in capital and voting rights
30/11/2023	VESA Equity Investment S.à.r.l	Crossed upward the 7% threshold in capital and voting rights
04/12/2023	VESA Equity Investment S.à.r.l	Crossed upward the 9% threshold in capital and voting rights
11/01/2024	VESA Equity Investment S.à.r.l	Crossed upward the 11% threshold in capital and voting rights
11/01/2024	Teleios Capital Partners LLC	Crossed downward the 12% and 11% thresholds in capital and voting rights
17/01/2024	VESA Equity Investment S.à.r.l	Crossed upward the 12% threshold in capital and voting rights

^(a) Bpifrance Participations is controlled by Bpifrance SA, itself jointly controlled at 49.2% by Caisse des Dépôts et Consignations and 49.2% by the EPIC Bpifrance.

LEGAL THRESHOLD CROSSING

Date	Name of Investment Fund	Legal threshold crossed
02/05/2023	Janus Henderson Investors UK, LTD	Crossed downward the 5% threshold in capital and voting rights
28/07/2023	Bpifrance Participations ^(a)	Crossed upward the 5% threshold in capital and voting rights
18/10/2023	VESA Equity Investment S.à.r.l	Crossed upward the 5% threshold in capital and voting rights
10/01/2024	VESA Equity Investment S.à.r.l	Crossed upward the 10% threshold in capital and voting rights

^(a) Bpifrance Participations is controlled by Bpifrance SA, itself jointly controlled at 49.2% by Caisse des Dépôts et Consignations and 49.2% by the EPIC Bpifrance.

Since 1st February 2024, Quadient S.A. has been notified of the following legal and statutory thresholds being crossed:

STATUTORY THRESHOLD CROSSING

Date	Name of Investment Fund	Statutory threshold crossed
14/03/2024	VESA Equity Investment S.à.r.l	Crossed upward the 13% threshold in capital and voting rights
27/03/2024	VESA Equity Investment S.à.r.l	Crossed upward the 14% threshold in capital and voting rights

Legal threshold crossing: none.

3.3 Information on trends and outlook

Please refer to the section “Financial perspectives” in chapter 1 “Corporate overview” of this universal registration document.



RISK FACTORS AND INTERNAL CONTROL

4.1 RISK FACTORS

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4.1 Risk factors

In 2023 the world was marked by growing geopolitical tensions in multiple regions, cost-of-living pressure through elevated inflation and interest rates and record-breaking extreme weather events, all of them contributing an unstable situation and economic uncertainty in much of the world.

Quadiant identifies the risk factors to which it is exposed using a formal Enterprise Risk Management (ERM) approach based on the reference framework of the internal control and risk management system, developed under the supervision of the French financial markets authority (AMF).

The risks factors presented below are the risks, that Quadiant believes to be exposed to at the date of this universal registration document and considers may have a significant negative impact on its business, operational and financial performance, outlook, or reputation, should they occur. The list of these risks is, however, not exhaustive, and other risks, unknown, could occur and would have a negative effect on the Company's business and performance.

4.1.1 RISK MANAGEMENT FRAMEWORK

Risk assessment methodology

As part of its Enterprise Risk Management (ERM) policy, Quadiant revises every year its global risk mapping addressing the Company's most material risks from strategic, operational, finance, sustainable development, legal, ethics and compliance perspectives. In this respect, a risk management framework, under the oversight of the head of compliance has been set to ensure:

- the identification and assessment of the different risks encountered by the Company in the course of its business activities;
- the assessment of the level of maturity of the management of each risk based on the existence and implementation of policies and means of control (organizational structures, processes, procedures);
- the definition and the follow-up of the main remedial action plans undertaken to mitigate these risks.

The ERM process is broken down into the following three stages:

1. Context analysis and data collection

The first stage of the ERM process begins with the analysis of the internal and external context of the Company. It allows considering the changes in terms of business, strategic and financial performance, and other factors that may present an emerging risk for Quadiant or impact significantly the risks already identified. Then comes the collect of relevant data, such as KPIs, survey results, incidents, local risk assessment and audit outcome, to report the evolution (positive or not) of the risks and their level of control.

2. Risk analysis and assessment update

This second stage starts with the update of the risk cards established for each of the existing risks identified in the previous stage. It consists in reviewing with the risk owners the potential causes, the aggravating or limiting factors, the consequences of the risks and analyse the data collected at the previous stage. This evaluation is based on the probability of occurrence which is characterized by a frequency on a 4-level scale and on the impact which characterizes the effect on the Company's strategy, finance, reputation, or ability to comply with laws and regulations. This criterion is also on a 4-level scale. These two criteria are used to position the risks on a matrix and therefore determine their level of criticality among the 4 levels: low, medium, high, and very high.

3. Review of the existing control measures and definition of mitigation action plans

The third stage of the process consists in the review and the update of the existing control measures also listed in the risk cards. The data collected during the first stage also help to check the adequacy and effectiveness of these controls. In this respect, a third criterion is used to assess their level of maturity. Combined with the criticality level of each risk, this criterion enables to position the risk on a prioritization matrix of the mitigation action plans to be implemented.

Governance and organization of risk management

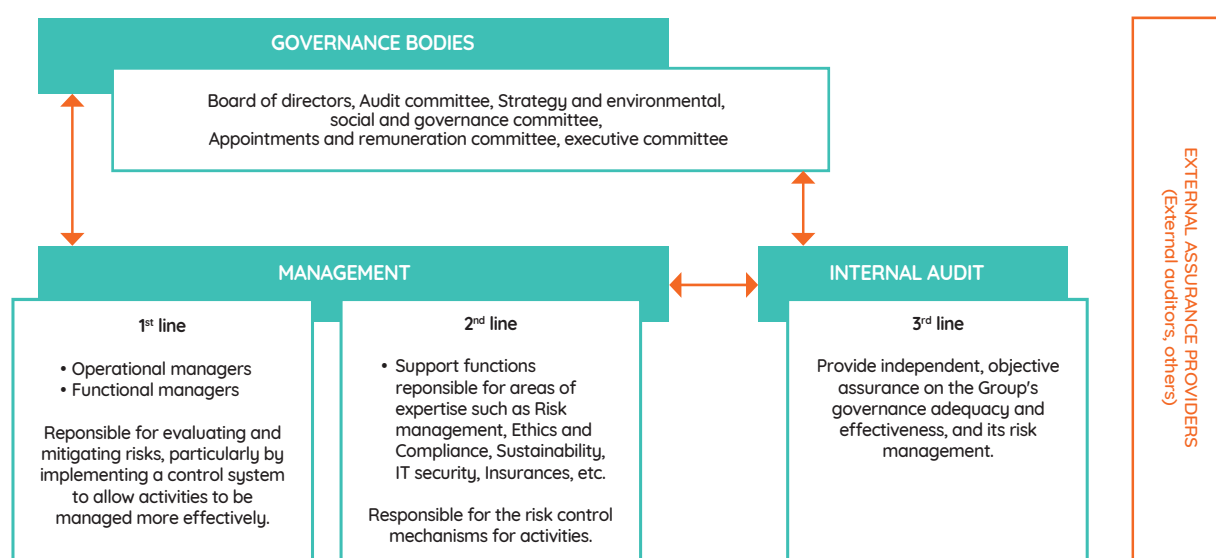
The Company Enterprise Risk Management program is governed by the General management through its risk and compliance committee chaired by the Company's Chief Executive Officer. This committee comprises the Chief Finance Officer, the Chief People and Transformation Officer, the Vice-President of Internal Control and Internal Audit, the General Counsel, and the Vice-President of Corporate Social Responsibility and Compliance. They meet each quarter (more often if circumstances so require) to ensure the ERM process described above takes place effectively, decide on which risks are unacceptable within the context of the business, define the Company's main orientations in terms of risk management, and monitor compliance in such respect.

Risk management is considered by the Group's Executive committee to be a key component of its governance system. This is why the Group has developed an integrated risk management approach aligned with the organisation's objectives and strategy, creating risk management, Internal control and internal audit functions and coordinating the three lines presented below:

- the resources of the solutions, operations and support functions teams in charge of implementing the 1st level of

control measures (e.g., checks carried out by employees and their managers as part of their activities) ensuring compliance with the applicable global policies and internal standards set out to control the Company risks;

- the resources from the various functions set up by management to monitor risk control and compliance (insurance, ethics and compliance, environment, taxation, etc.) including the compliance center of excellence and local compliance teams composed of experts in the fields of information security, data privacy, legal, ethics, quality, environment, health and safety, and social matter, in charge of implementing the 2nd level of control measures (e.g., controls specific to regulatory compliance programs such as anti-corruption, anti-money laundering, data protection);
- the resources from the internal control and internal audit team in charge of performing the 3rd level of control measures through regular reviews and internal audits of the internal control framework to assess it in terms of efficiency, consistency and completeness, to take corrective actions in case of deviation and to monitor their implementation.



Responsibility for risk management is assigned at the most appropriate level in accordance with a subsidiarity principle. Each operations manager is therefore directly involved in the implementation of internal controls and is responsible for assessing and reducing the risks related to the processes and activities for which they are responsible.

In 2021, the compliance center of excellence has developed a common process and a methodology founded on a Governance Risk and Control (GRC) digital tool enabling:

- the consolidation of major risks from all sites, regions, and business lines;
- the disclosure of Quadient's policies, procedures and standards to all employees;
- the management of compliance audits and corrective actions.

The compliance center of excellence works with all Quadient's departments and more particularly with the Internal Control and Internal Audit team in order to:

- link up the identified risks and Quadient's policies, processes, standards, compliance programs and propose changes where appropriate
- contribute to defining the annual internal audit program
- use the results from the internal audits carried out to enhance the risk assessments conducted within the Company.

By verifying the Company's key processes, the Internal Audit team provides reasonable assurance that internal control and risk management procedures have been implemented and are effective.

The Global Risk mapping has been updated between December 2023 and March 2024, approved by the General Management risk committee and presented to Audit committee of the Board of directors at the end of March 2024.

Main programs of the risk management system

For several years now, the teams responsible for implementing second-level control measures carry out more granular risk analyzes. The main risks covered are described hereafter.

ESG ⁽¹⁾ RISK MAPPING

The environmental and societal risks are revised every year by the CSR ⁽²⁾ team. The most material ones are part of the global risk mapping and presented in a more detailed way in chapter 5 "Non-financial performance statement" of the present document. In 2023, Quadient has updated its materiality analysis in compliance with the CSRD regulation and the principles of the double materiality to identify the most material risks and opportunities for the Company based on their impacts on the environment and the Company and the financial impacts for the Company and its stakeholders. The latter has been presented to the CSR and Strategy Committee and the Board of Directors in March 2024.

CORRUPTION AND BRIBERY RISK MAPPING

The compliance center of excellence keeps up to date the Company risk assessment of corruption and bribery with the support of operational managers coming from different functions, countries and business lines. About 20 different risk scenarios have been identified with different impact and probability of occurrence depending on the regions/countries and the functions involved. The results of the detailed assessment for 2023 will be presented to the General Management risk committee and to the Audit committee of the Board of directors in May 2024.

COMPETITION RISK MAPPING

The detailed competition risk assessment is also kept up to date by the compliance center of excellence with the support of the legal, the sales development and finance teams from the various countries where the Company operates. Eight different risk scenarios have been identified across the Company's activities. Like the risk assessment related to corruption and bribery, the results of this assessment for 2023 will be presented to the General Management risk committee and then the Audit committee of the Board of directors in May 2024.

DATA PRIVACY RISK MAPPING

The data privacy detailed risk assessment was last updated in February 2023 by the data protection organization across Quadient. It considers all the risk that may result in data loss or breach and also the compliance with privacy laws worldwide. The outcome of this risk assessment feeds the Company's global risk mapping and was presented to the Data Council, the steering committee overseeing the effectiveness of the Company's compliance program to privacy and information security.

INFORMATION SECURITY AND CYBER RISK MAPPING

The detailed risk assessment of information security and cyber risks was also updated in 2023 under the supervision of the Chief Digital Officer managing the Information Security organization for the Company's IT infrastructures and assets. Each business line supplements this risk assessment by another one covering the IT infrastructure and applications used by their own teams but also the ones used for the services sold to the Company's customers. Likewise, the privacy risks, the Data Council oversees the effectiveness of the information security compliance program which is also brought to the attention of the Audit committee and the Board of directors.

THIRD PARTY RISK MAPPING

Since 2021, the compliance center of excellence has implemented a platform to manage the risks related to the 3rd party partners. This platform enables the compliance team to perform integrity checks and assess the risk with third party based on several criteria such as spendings, Corruption Perception Index, 3rd party category, etc. Based on the risk level, the Company has set various questionnaires that are used for its onboarding and due diligence process.

¹⁾ Environment, Social and Governance.

²⁾ Corporate Social Responsibility.

4.1.2 DESCRIPTION OF RISK FACTORS

Summary of the risk factors

Each year, the Company updates its global risk mapping which summarizes the main risks in terms of impact and probability. The risks are classified in the following categories:

- risks relating to the Company strategy, organization and governance;
- risks relating to the Company operations; and
- risks relating to finance, regulatory changes, ethics and legal.

Risk factors are classified on the basis of an assessment of their probability and their potential impact on the Company.

Within each category, they are presented in descending order of importance determined by the Company on the date of this universal registration document. The assessment made by the Company of this ranking may however be modified at any time, in particular, in response to new events outside or within the Company. Moreover, even a risk that is currently considered to be of lesser importance could have a significant impact on the Company, should it occur at a future date. The chart below represents the major risks identified during the risk assessment update. This global risk mapping has been reviewed by the Audit committee of the Company as well as the Board of directors.

Probability of occurrence						
Very likely						
Likely		- Inability to attract and retain key profiles - Loss, theft or corruption of data - Evolution of postal regulations - Evolution of regulatory framework on information security and ESG	- Decline of MRS business - Inability to develop ICA and PLS business - Critical information security Incident			
Rare		- Failure of a critical third party - Inability to execute the Company's low carbon strategy - Evolution of worldwide tax regulation	- Lack of resilience to a major event disrupting the business - Breach of ethics and compliance rules			
Very rare						
		Low	Medium	High	Very high	Impact
- Risks relating to the company strategy, organization and governance - Risks relating to the company operations - Risks relating to finance, regulatory changes, ethics and legal						

Risks relating to the Company strategy, organization and governance**DECLINE OF MAIL-RELATED SOLUTIONS BUSINESS****Risk description**

According to the International Post Corporation, aggregate mail volumes have resumed their steady decline. The digital revolution has fundamentally altered how consumers, businesses, and governments interact. This shift from physical to digital has had a dramatic impact on the postal industry. Since 2012, aggregate mail volumes have declined by close to a third in advanced economies and fallen by over three quarters for some posts. Despite the bounce-back effect in 2021 and 2022, aggregate volumes remained well below pre-pandemic levels. While rates of decline slowed in the two last years, digitalization and e-substitution continued to impact demand and mail volumes fell a further 6.2% in 2022 on average. The mail solutions market continues to represent around 2 billion euros in annual revenue and is expected to decline at a limited rate in the years to come. Quadient is the second-largest global player, with total revenue of 729.0 million euros in 2023 in Mail-Related Solutions, representing 69% of the Group revenue.

Risk management

As part of its strategy, the Company strives to anticipate as much as possible the decline of MRS business and develop its new growth engines around Intelligent Communication Automation (ICA) and Parcel Locker Solutions (PLS).

Throughout the recent years, Quadient continued to invest in Mail-Related Solutions to remain at the cutting edge of the technology with new upgraded machines offering enriched features and connected services. The Company continues to introduce innovative products with associated services through a SaaS platform bundled with new intelligent hardware. For instance, Quadient has launched new solutions such as Simply mail SMART and Doc Secure and also AIMS enabling data privacy and audit trail. With these new offers, Quadient also aims at maximizing cross-selling with ICA and PLS business lines. In 2023, the Company had 25% of the market shares in terms of installed base and 34% in revenue globally.

On the 1st of February 2024, Quadient acquired Framat, a significant mailing and document management solutions provider to small and medium-sized businesses, strengthening its position in the mail business.

INCAPACITY TO DEVELOP INTELLIGENT COMMUNICATION AUTOMATION AND PARCEL LOCKER SOLUTIONS BUSINESS**Risk description**

As part of its strategy, the Company has decided to invest in two new business lines, Intelligent Communication Automation (ICA) and Parcel Locker Solutions (PLS) to anticipate the decline of its Mail-Related Solutions (MRS) business. In the ICA and PLS markets, the Company faces a highly-competitive environment, subject to significant technological and regulatory changes. Competition mainly comes from global leaders with high investments capabilities and tech or fintech startups supported by investment funds.

In order to remain competitive, the company must anticipate, innovate and adapt its solutions to the needs of customers, which required significant investment in research and development. The Company could fail to keep pace with these investments or do not make the right choice in the acquisition, development and introduction of new offers and thus being unable to address market needs or with significant delays. Therefore, if these businesses targeted by these new solutions does not develop as anticipated, the Group could face difficulties recovering the costs incurred and generate sufficient revenue and profitability.

Risk management

Quadient is organized around dedicated business segments for each of its activities, MRS, PLS and ICA. These business segments all have customer-facing employees and partners within the Company's operations to understand and respond quickly to customers. Agile methodologies and processes for product design and development are used in order to provide the best solution based on specific customer needs.

Furthermore, the business lines are supported by the Market Intelligence team in charge of analyzing the competition and deliver data to the Chief Solution Officer and the leadership team of each business line. These competition analyses are reviewed each quarter during the Operating reviews to evaluate loss of competitiveness risks and decide on the actions to take. This important topic is also discussed with the Strategy and CSR committee and with the Board of directors.

Since 2019, Quadient has refocused its operations and solutions portfolio to become a leader in each of the growth markets it serves. Thanks to several acquisitions, the Company strengthened its offer in each of its business lines.

The Company also continues to invest and innovate in its three business lines to renew its products and solutions portfolio. Specifically, for the PLS business, the Company has given in-depth thoughts to its differentiation strategy and Quadient is now positioning itself as a player capable of offering carriers, retailers and residential buildings, lockers where everyone can pick up and drop off their items.

For the ICA business, the Company has developed the Quadient Hub, a complete suite of SaaS based solutions providing customers a true end-to-end global business communications and financial automation platform.

The Company has also worked on its go-to-market and verticals to address all ranges of customers. It has developed a streamlined omni-channel strategy to address many needs simultaneously rather than solving one particular issue at a time. Moreover, the Company is focusing its efforts on bolstering its ability to manage the marketing launch in a faster, more efficient and coordinated way so that a theoretical solution thought out at corporate level can be adapted to a regional market in a fast and effective way. In this respect, the Company has appointed a Product/Marketing manager for each solution set, working locally with salespeople to anticipate the clients' needs and up the feedback in the global organisation.

LACK OF RESILIENCE TO A MAJOR EVENT DISRUPTING THE BUSINESS**Risk description**

Quadient's activities depend heavily on its employees, the operational functioning of its manufacturing premises and logistic hubs as well as the reliability and availability of its IT infrastructures, core systems, and the data centers hosting all the servers, software applications and data. Considering the Covid-19 pandemic that occurred in 2020, increasing geopolitical tensions, the persistence of terrorist threats, or the increasing number of natural disasters in the recent years, the Company may be exposed in certain countries to some economic, financial and operational risks, as well as risks affecting the safety of its employees. Major events such as pandemics, cyber-attacks, natural disaster, supply chain disruption or industrial incident could have a material adverse effect on the Company's business continuity, on its customers, and, ultimately, its reputation.

Risk management measures

Quadient has defined a set of programs and measures to address these continuity risks.

The manufacturing and assembly of the hardware equipment is outsourced to several OEM and ODM vendors. The Company's assembly sites are also spread on several locations which make it possible to switch the production from one site to another in case of lasting unavailability. In addition, Quadient has selected alternative sources of procurement for its key tier 2 suppliers. The manufacturing tooling such as the moulds or assembly jigs are owned by Quadient and can be transferred to another supplier if needed.

On the IT infrastructure, core systems, and data centers, the Company has the skills to restore all its business-critical systems (business resilience and disaster recovery capabilities) but the timeframe will depend on how widespread and material the issue is. The IT team is testing most Disaster Recovery Plans (DRPs) on a regular basis. Furthermore, most of the business-critical systems have been migrated to global cloud-based services providers or are hosted in tier 3 certified data centers.

Since the Covid-19 pandemic, the Company has made some investments in new digital tools, enabling the Company's employee to work remotely from their home or another Quadient site securely to ensure the continuity of the activities. In 2023, 83% of the Company's employee can telework securely.

Risks relating to the Company's operations**CRITICAL INFORMATION SECURITY INCIDENT (CYBER-ATTACK, MALWARE, RANSOMWARE) WITH A LASTING EFFECT ON THE COMPANY'S ACTIVITIES****Risk description**

As part of its business the Company operates several IT systems for its own usage but also to deliver its solutions to customers. This involves the collection and processing of sensitive and personal data. The availability, confidentiality and integrity of the client information that resides on Quadient's infrastructure and information systems is critical to the success of its three business lines. Quadient is exposed

to cyber risks that may result from malicious actions, individual or organized, of internal or external origin, on the Company's assets. This could compromise the security of its data or could cause disruption in the operations of its businesses, and in turn have adverse consequences on its financial performance, reputation, and contractual or legal obligations.

Risk management measures

The Company has set a general information security framework in which security policies and internal digital standards have been implemented as well as mitigating measures to address the security and cyber-attack risks.

The Chief Digital Officer oversees this information security framework and the related compliance programs. He chairs, every quarter, the Company's Security Board which is the overarching Information Security technical governance authority within Quadient, reporting to the Quadient Executive Committee. Its role is notably to establish global information security objectives and priorities, perform global information security risk assessments, maintain Information Security policies, and create global awareness of Information Security Policies and safe working practices.

Quadient has deployed security technologies to provide protection & detection against main threats (e.g MFA, email security with Mimecast, global backup solution, vulnerability scanning, MDM, Security hardening of networks, others...)

The Group has the skills to restore all its business-critical systems (business resilience and disaster recovery capabilities) but the timeframe will depend on how widespread and material the attack is. The IT team is testing most Disaster Recovery Plan (DRPs) on a regular basis.

The information security also depends on the awareness and ability of the Company's staff to understand the stakes of security. In this respect, the Company has implemented a mandatory training program for all employees and push regularly communications to all employees on the right things to do or alerts on phishing for instance. A phishing test was performed company-wide in 2023.

As part of its information security compliance program, Quadient has obtained the ISO 27001 certification for its operations in the UK and in ICA software development activities.

INABILITY TO ATTRACT AND RETAIN KEY PROFILES**Risk description**

The long-term success of Quadient is driven, in particular, by the talent of its employees and their engagement. The global labor market for qualified personnel, notably in the area of new and digital technologies was already tight before the Covid-19 pandemic, but this situation has changed employees expectations with regard to the company they are working for. More than ever, employees are looking for a company offering good flexibility at work through remote working, an inclusive and diverse work environment, and favorable personal development and equitable wage. Quadient's strategy focuses on the development of its three business lines requiring talents and expertise on new technologies and digital skills in particular. Failing to attract, develop and retain talents in those domains might impact the Company as it may limit the organization's ability to execute its strategy and development in order to sustain its growth.

Risk management

Quadient has defined and deployed global policies and programs related to the recruitment, development, working conditions and well-being and compensation to attract and retains talents.

On talent recruitment, the Company has implemented Career Hub platform to post all the job opportunities Quadient offers. This platform provides helpful information about the Company such as its core values, activities, culture, recruitment process or its various programs related to inclusion & diversity, learning & development or its philanthropy program, Quadient Cares. In this domain, the Company has also implemented a referral program, which enable employees to refer people they know who desire to join Quadient's teams. All new hires benefit from an onboarding program enabling them to find out more about the Company and its values, strategy and organization.

In addition to Career hub, Quadient has also implemented an internal mobility policy and personal development programs and career management. Thanks to Learning Hub, a learning platform, employees have access to a large catalogue of courses and with corporate training programs offer development opportunities to help add to their skills and continue to learn and grow their career. Quadient has a talent identification and succession plan process. After a period during which employees successfully demonstrate their talents, the Company offers employees cross-functional career paths to help them continue to realize their full potential.

Quadient cares about the health, safety and well-being of its employees. In this respect, the Company has developed, even before the Covid-19 pandemic, its Work From Anywhere policy, enabling employees with a position compatible with teleworking, to gain more flexibility and work-life balance. Beyond its health and safety policy, an employee assistance program has been deployed across the organization to support employees with any work or personal issue, including short-term professional counselling and connecting them to local resources to help them manage emotional, practical or physical needs. Finally, the Company has implemented an inclusion & diversity policy to create an inclusive place where everyone feels they can be respected, develop and succeed regardless of ethnicity, gender, sexual orientation or any other dimension that can be used to discrimination.

On employee recognition, the Company's total reward policy is subject to annual review with the support of specialized firms and external benchmarks in order to ensure competitiveness with the local labor market. Every year, the Company has a merit increase and bonus payout campaign which is based on individual and Company performance. In

addition, there are other benefits and compensation plans for employees such as insurance plans, or profit sharing and long-term incentive plans.

Finally, Quadient launches every year an engagement and inclusion survey to all employees to measure their level of engagement and get their feedback on areas where the Company should improve. Action plans at corporate level but also in each department are designed and executed in this respect.

FAILURE OF A CRITICAL THIRD PARTY**Risk description**

Quadient interacts with several business partners and joint-venture partners to market its solutions. The Company also uses numerous suppliers and service providers based in different countries. It has a certain dependency to its OEM and ODM vendors for the manufacturing of its hardware equipment. The Company also depends on service providers, such as cloud solutions services, print service providers, or mass emailing or message text solutions, used to deliver its solutions. Quadient could be impacted in the event of a failure from one of its partners or vendors (e.g., supply-chain disruptions, unavailability of a service, bankruptcy for instance) and this could jeopardize its ability to maintain its operations resulting in a loss of revenue.

Risk management

Quadient's purchasing teams carry out risk assessment of the suppliers they engage with and conduct regular reassessment. As early as the supplier selection process, they check the capability, the solvency, the integrity and the ability of the suppliers to comply with Quadient's responsible purchasing policy and its code of business conduct. Contractual agreements are also established to protect the Company against such risks. Overall, Quadient seeks to reduce its dependencies to some suppliers and service providers. For instance, for PLS, the decision was made to reintegrate the design and development of the parcel lockers into the Company so Quadient will be able to work with any partner in the world and have a better control over design.

On its key production suppliers, the Company set alternative solutions in case of failure of its OEM or ODM ⁽¹⁾ vendors by organizing the transfer of the production to each other if required. Quadient has also selected alternative sources of procurement for its key tier 2 suppliers. The manufacturing tooling such as the moulds or assembly jigs are owned by Quadient and can be transferred to another supplier if needed. Furthermore, regular contacts have been established with key suppliers to anticipate their decisions of production stoppage, business closure, component changes, bankruptcy, etc.

¹⁾ OEM: Original Equipment Manufacturer; ODM: Original Design Manufacturer.

On strategic service providers such as SaaS critical applications, cloud services or data centers, this is part of the Company's requirements to ensure the service providers has implemented security measures and business continuity plan to avoid any disruption of service. On business partners such as commercial dealers, the same risk assessment and due diligence procedures apply.

INABILITY TO EXECUTE THE COMPANY'S LOW CARBON STRATEGY

Risk description

Quadient's activities are exposed to the physical and transition risks related to climate change. Due to their geographic location, some Quadient sites and some industrial partners and suppliers are exposed to the increase in risks of natural disasters, both extreme and chronic, that may disrupt the supply chain or impact significantly the Group's operations. In addition, increasing regulations (Article 173 of the French law on energy transition, EU taxonomy, CSRD⁽¹⁾) related to the transition towards a low-carbon economy could result in adverse impacts on its activities and sales, increasing its operational costs while reducing its profitability.

Finally, the evolution of customers' choices and changing of behavior are increasingly influenced by regulation, and collective awareness of environmental issues. This leads to increased pressure on the Group to deliver on its strategy in terms of reducing its CO₂ emissions in its value chain and focus on eco-design. Failure to execute the Company's low carbon strategy and to adapt to climate change could impact its financial performance and reputation.

Risk management

As a responsible company, Quadient has been committed for several years to the proactive reduction of its carbon footprint. The Company's long-term ambition is to reach net-zero emissions by 2050. To this end, based on the Science-Based Target approach, Quadient has defined in 2020 targets for reducing its greenhouse gas emissions in order to limit global warming of the planet to the well below 2 °C trajectory, in accordance with the 2015 Paris Agreement (COP21). These objectives were revised in 2022 to align the scope 1 & scope 2 emissions reduction targets with the 1.5 °C trajectory. Therefore, the Company's objectives for 2030 are:

- 50% reduction of direct and indirect emissions (scopes 1 & 2) between 2018 and 2030;
- 40% per million euros revenue reduction of other indirect emissions (scope 3) between 2018 and 2030.

In order to achieve these targets, Quadient has set a low carbon strategy and a transition plan which consists in developing the usage of renewable energy and energy conservation measures into the Company's premises, foster sustainable mobility and switch progressively the Company's vehicles to low carbon ones, design sustainable solutions and offers having lower impacts on the environment.

Risks relating to finance, regulatory changes, ethics and legal

BREACH OF ETHICS AND COMPLIANCE RULES (CORPORATE GOVERNANCE, CORRUPTION, FRAUD, HUMAN RIGHTS, ETC.)

Risk description

As an international company with more than 4,700 employees with a global presence operating in 27 countries, Quadient cannot exclude potential violations of its commitment to conducting its business ethically and responsibly. The Company may be exposed to inappropriate behavior by some of its employees or by third parties in regards with ethical rules, respect for human rights or fraud and corruption. Non-compliance with business ethics rules and laws and regulation as such anti-corruption or anti-money laundering may expose the Company to prosecution by its staff, its partners or the authorities impacting its overall credibility as a responsible company and trusted partner for all its stakeholders.

Risk management

Quadient is committed to conduct its business responsibly and with integrity. In this respect, the Company is a signatory of the United Nations Global Compact which aims to align businesses with human rights, labor, environmental and anti-corruption principles.

The Company has defined a Code of Ethics, which is communicated to all employees who must take a training course and sign in a form to endorse it.

Global policies have been designed to supplement the Company's stance settled in the Code of Ethics and serve as also the reference and internal standards in terms of Company rules. The following global policies have been revised in 2022: anti-corruption and bribery, fair competition, sanctions and money laundering, information security, data privacy, inclusion & diversity, philanthropy, tax evasion, whistleblowing. In addition to the Code of Ethics, employees are required to take training on the anti-corruption and bribery, information security, data privacy, health & safety, harassment and bullying, and inclusion & diversity.

Furthermore, the Company has developed a global compliance program to fight against corruption and influence peddling, in accordance with the French Sapin II law, and based on the recommendations of the AFA ("Agence Française Anti-corruption"). This program was audited in 2022 by the Internal Audit and Internal Control team and the results were presented to the Audit Committee in January 2023.

The Company has also defined a code of Conduct for Business partners in order to communicate to its partners the company's requirements in terms of Ethics & Compliance. This Code is under deployment to all the Company's partners. Strategic ones must adhere to this Code.

¹⁾ Corporate Sustainability Reporting Directive.

Compliance clauses including compliance with applicable laws, code of conduct, anti-corruption, fair competition, data privacy and confidentiality, export controls have been revised and incorporated in the partner agreement templates by legal department. Failure to comply with these clauses (compliance, ethics, CSR, etc.) represents a case of breach and that the Group has the option of terminating the relationship with the third party.

A due diligence process has been implemented to perform risk-based due diligence to ensure the integrity of the third-party companies to engage with. This process includes reputational screening based on sanctions/watch lists, politically exposed persons lists, checks for exposure to global adverse media and questionnaires related to information security, data privacy and corporate social responsibility. The process also incorporates an enhanced level of due diligence to be performed where a prospective third party resides in a designated high-risk jurisdiction, or where other red flags are identified.

A whistleblowing system exists and is available 24h a day. Any Quadient employee or any person or third party is encouraged to speak up, in compliance with the law and the rules applicable in the country where he resides or exercises his activities if they suspect a violation of the code of Ethics or Quadient rules and policies.

LOSS, THEFT OR CORRUPTION OF DATA

Risk description

In the context of its activities, as a data controller, the Company collects, processes and transfers various employee data, including personal data. Quadient also acts as a data processor when collecting and processing personal data belonging to its customers using the solutions offered by the Company. Beyond GDPR⁽¹⁾ regulation in the European Union, the laws and regulations related to personal data protection is increasing in other countries where the Company operates such as the United States (CCPA), Canada and Brazil. Non-compliance with legal or contractual obligations as well as losses, thefts, alteration, destruction or disclosures of confidential or personal data could lead the adverse consequences for the Company and result in significant fines, litigation costs and damage Quadient's reputation.

Risk management

Quadient has implemented global policies on both data privacy and information security. These policies provide the control measures taken by the Company to limit any risk of fraud, loss, theft or corruption of data, including personal data. All employees are required to follow the mandatory training courses related to data privacy and information security global policies.

In terms of organization and governance, Quadient has nominated a data privacy officer (DPO) who is part of the executive committee and has access to the Board of

directors. The DPO is supported by its deputy officer, in charge of leading the data privacy compliance programs for the Company. The deputy DPO also coordinates the regional data privacy officers assigned in each region. Their role is to ensure the control measures and processes defined are applied across the Company. Among other things, they assess privacy risks, define, and maintain the register of data processing, answer to data subject access requests (DSAR), conduct privacy impact assessments (PIA) and data protection impact assessments (DPIA), establish data processing agreement with the suppliers and sub-contractors, and manage data privacy incident and data breach.

The data privacy officer chairs the data council of the Company which takes place each quarter. The role of this committee is to oversee the data privacy policy, risk assessment, compliance program, security incidents involving data issues and audit results.

As part of its data privacy compliance program, Quadient has obtained the ISO 27701 certification for its operations in the UK and its AR software development activities.

EVOLUTION OF POSTAL REGULATIONS UNFAVORABLE (AND/OR UNANTICIPATED) TO QUADIENT'S BUSINESS

Risk description

Quadient is subject to postal regulations and processes in all the countries where the Company operates. The governmental bodies that regulate the posts themselves have the power to regulate the current and future solutions delivered by the Group. The postal authorities, that are becoming actual companies, could utilize their position in the market or their role as product regulator to favor themselves and their offering in the competitive environment, accelerating regulatory and pricing change to protect their revenue. The Group could face increased difficulties to maintain its activities in a strategic country following the implementation of new regulations and development strategy by governments or the various postal authorities. The Group could also lose its certifications, which would threaten its historical business. Failure to support the new strategies of the postal organizations could affect the financial performance and the reputation of the Company.

Risk management

Quadient has established long-lasting relationships with postal regulators and the Company has appointed a local relay in each region to assist the vice-president of global postal relations. The dialogue with postal authorities gives most of the time sufficient visibility to the Company ahead of the plan, so that it has the capacity to take part to the discussions and to anticipate the regulatory changes of the Posts in order to adapt the Company's product management strategy to respond to these changes.

⁽¹⁾ General Data Protection Regulation.

EVOLUTION OF WORLDWIDE TAX REGULATION

Risk description

As a global company, Quadient is doing business in many countries and is therefore subject to complex and varied tax regulations. The fiscal compliance refers to the degree to which the Company interprets and complies or not with applicable tax rules of a given country by declaring income, filing a return and paying the due tax in a timely manner. The evolution and the complexity of tax regulations and their interpretation can lead to disagreements with tax authorities in the countries where the Group operates, resulting in the payment of late fees, interest, fines and penalties.

Risk management

Quadient undertakes to respect the tax regulations in force in the countries in which it operates, in line with its anti-facilitation of tax evasion policy and the code of ethics principles relating to business integrity. Relying on the tax department and the financial department, and assisted by external advisors where appropriate, a tax review is performed at least annually in each entity. With regard to their current activities in France and abroad, Quadient entities are regularly subject to tax audits. Tax adjustments or uncertain tax positions not yet subject to tax adjustments are covered with appropriate provisions. The amounts of these provisions are regularly revised. The legal, tax and compliance teams monitor the applicable legal frameworks in the countries where the Company operates.

4.2 Insurance

All Quadient companies are covered by a worldwide insurance program which covers operating damage and loss, liability, and transport risks. All subsidiaries adhere to the guarantees set up and negotiated at Group level, subject to local regulatory restrictions or specific geographic exclusions.

Quadient's risks include a high level of geographic dispersion, which substantially dilutes the consequences of any claim. The cover negotiated by the Group is high and is above all aimed at insuring the largest risks which might have a material impact on the Group's financial position.

The operating damage and loss insurance cover was renewed on 1 April 2024 for one year under the same conditions.

The insurance covering transport risks was renewed on 1 April 2024 under the same conditions for 12 months ending 31 March 2025.

The insurance policy covering "liability" was renegotiated and renewed for one year ending on 31 March 2025.

Finally, it has been decided to cover cyber risks in June 2019.

Total cost of insurance amounted to 1 million euros in 2023.

Quadient's insurance policies are regularly updated to reflect changes in the Company's scope of consolidation and to cover industrial risks within the global insurance market framework.

The Company's guarantees are placed with leading insurers with worldwide reputation.

4.3 Internal control and internal audit framework

4.3.1 INTERNAL CONTROL FRAMEWORK

As part of the organization of the internal control and for the preparation of this report, Quadient adheres to the AMF reference framework. In accordance with the AMF definition, the Company has designed and implemented its internal control system to ensure:

- reliability of financial information;
- compliance with existing laws and regulations;

- implementation of the instructions and directions given by Group Management;
- proper functioning of the Company's internal processes, especially those relating to the protection of its assets.

On a general level, the internal control framework helps the Company monitor its activities, improve the efficiency of its operations and ensure the efficient use of its resources. As with other "assurance systems", it cannot provide an absolute guarantee that the Group's objectives will be met.

4.3.2 INTERNAL CONTROL AND AUDIT ORGANIZATION

Quadient internal control and audit function was set up early 2009, its purpose is to serve the Group at three levels:

- identify and assess risk;
- conduct internal audits;
- coordinate internal control.

The Group internal control and audit department includes three permanent auditors under the responsibility of the vice-president of internal control and internal audit, who reports to the Group finance department and can address all topics without restriction. It also reports to the Audit committee regularly and at least twice a year as part of the Audit committee meetings.

As an integrated Group, Quadient has standards in place that can be implemented by anyone and by all Group companies. These standards, available to all employees via the intranet, strengthen the Group's internal control and risk management environment in various areas including finance, human resources, legal affairs, cash management, etc.

Every new or updated procedure is circulated electronically to the manager of each subsidiary. Each subsidiary arranges internal communication of the procedure and ensures they are implemented and applied by employees.

The consistent involvement of the General Management in subsidiaries' operations through regular reviews also allows for the rapid identification of potential anomalies and the efficient and timely implementation of appropriate remedial action plans.

Furthermore, the internal audit department conducts cross audits to strengthen these controls.

Ethical reference framework

The integration of new activities and the strategic shift that the Company has made in recent years has led him to redefine its values to better reflect its organizational identity:

THE GROUP'S ETHICAL PRINCIPLES

Quadient believes that conducting its business in an ethical and responsible manner is essential to its sustainable growth and success. The Company's code of ethics sets out principles of ethics and business conduct that help each of its employee to act with integrity and ethically as well as best practices and policies that will elevate the Company's reputation.

In short, this code of ethics stands as a testament for doing what the Company knows is right. It covers the following topics: Human Rights, employees, business ethics, business relationships, Quadient assets and third parties, citizenship and responsible engagement.

It also includes useful recommendations for how to anchor the code of ethics in Quadient's corporate culture and takes into account Quadient's new "EPIC" (Empowerment, Passion, Inspiration and Community) values.

Quadient asks every employee, regardless of their role, function or entity, to follow the code of ethics when working for or representing Quadient. In this respect, each employee is required to follow the dedicated training and endorse the code of ethics.

The code of ethics is available on the corporate intranet and publicly available on the Company's corporate website in the following languages: French, English, Dutch, German, Italian, Spanish, Japanese and Czech.

ETHICS & COMPLIANCE COMMITTEE

In terms of governance, an ethics & compliance committee, chaired by the vice-president of CSR & compliance and composed of the chief people officer, the general counsel and the vice-president of internal control and internal audit meets as necessary to manage any compliance issues and the whistleblowing reports received, the investigations and the progress of the remedial plans. The vice-president of CSR & compliance reports on the progress of the compliance program through quarterly reports and updates to the chief transformation officer, the chief financial officer and the CEO to the Company.

APPLICATION OF THE SAPIN 2 LAW

Quadient is fully committed to the fight against corruption and has made clear commitments as part of its commitment to the United Nations Global Compact. The Company applies strict principles which are enshrined in its Code of Ethics and its global policy against corruption and influence peddling. The Company's program revolves around the following themes:

- code of ethics;
- annual mapping of corruption risks;
- raising awareness and training of exposed persons and all employees;
- control frameworks;
- accounting procedures;
- due diligence and evaluation procedure of third parties;
- disciplinary system;
- whistleblowing procedure and system.

In this context, the Company has continued to improve and strengthen its processes and tools. Therefore, in 2021, the Company revised and supplemented its anti-corruption and bribery policy; updated the assessment of risk scenarios on corruption and bribery, implemented a procedure for knowing third parties with a particular focus on commercial distributors, but also the implementation of due diligence for suppliers and associations benefiting from donations or sponsorship actions. The Company's whistleblowing system has also been extended to all third parties. Some training actions have been taken for employees who were the most exposed to these risks, as well as the legal and compliance teams. The compliance and internal control and internal audit teams work closely to implement the controls required, such as the annual declaration of conflict of interest.

Furthermore, the Company has developed a global compliance program to fight against corruption and influence peddling, in accordance with the French Sapin II law, and based on the recommendations of the AFA ("Agence Française Anti-corruption"). This program was audited in 2022 by the internal audit and internal control team and the results were presented to the Audit committee in January 2023.

Information systems

The key priority for the digital organization is the harmonization of global processes and systems, underpinned by investments in ERP, CRM & HCM⁽¹⁾. Additionally, digital is investing in contact center and e-commerce platforms, to enhance customer interactions.

Alongside these investments, the digital department continues to drive standardization across information systems by adopting global standards and backed-up by audit and compliance processes, resulting in higher quality systems, with reduced risk and at a lower operational cost. Global risk management ensures the continuous assessment and mitigation of key operational risks.

Information security remains a major focus for Quadient. The need for security is even greater with the deployment of new SaaS solutions. With that in mind, Quadient has implemented an Information Security organization that enables specialist focus around solutions, group activities and use of personal data. This specialist approach ensures that dedicated capabilities are engaged where security matters most: in protecting customers, employees and protecting personal data. For the second year running, information security is a top three investment area for digital, enhancing protection, detection, response and recovery capabilities, and demonstrating effective practice that has enabled cybersecurity insurance renewal.

At the core of information systems, data management is paramount. In this regard, Quadient ensures that employee and customer data management is compliant with the GDPR and other similar regulations.

Accounting and financial information

PREPARATION AND RELIABILITY CONTROL OF INFORMATION

Each subsidiary has a team which reports to the local chief financial officer who is a member of the subsidiary's management committee. Each team includes a management control structure and is responsible for preparing accounting and management data as part of the monthly reporting process.

The Group finance department is responsible for identifying changes in operating conditions in order to anticipate any possible impacts these may have on the Company's accounting principles. Headquarters' management is also informed about significant local developments at regular operational reviews, and during other visits to subsidiaries. The Group financial controlling department has the role of coordinator in this domain.

¹⁾ Human Capital Management.

CONSOLIDATION

The current electronic reporting and consolidation system, which is in place at all consolidated subsidiaries, delivers consistent monitoring of budget and management data, improves lead times for producing the data (through automatic task scheduling management, with a reminder system) and improves the accuracy of consolidation information. Using the analysis data which is provided by the subsidiaries' management control departments *via* this system and reviewed by local management, the Company's chief financial officer receives a permanent flow of data that explains any differences in the consolidated reporting.

The number of access authorizations to the information system is limited to a certain number of people per subsidiary to ensure the reliability and integrity of the reporting and consolidation data. This system has made it possible to monitor management indicators; it also produces sales and marketing data for the subsidiaries.

CASH AND FINANCING

Quadiant S.A.'s financial team manages the Company's cash centrally. In order to mitigate its risk exposure, the Company has developed procedures, including exchange rate and interest rate risk management, cash pooling and the optimization of the Company's financing requirements.

FORECASTS

Quadiant provides its shareholders with information on its forecasts. These forecasts are formulated based on the Company's three-year plan and take into account market conditions at the beginning of each year, namely the competitive environment and the economic conditions in the countries where the Company operates. Should there be a significant change in market conditions or the competitive environment, Quadiant cannot guarantee that it would be able to achieve its forecasts.



NON-FINANCIAL PERFORMANCE STATEMENT

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APPENDIX 164

5.1 Social, societal, and environmental information

5.1.1 PREAMBLE

For more than a decade, Quadient has been actively building a culture that conducts its business with the utmost integrity, offers innovative and sustainable solutions, and with limiting the Company's impact on the environment, takes actions to combat climate change and support global transition to a low carbon economy. Quadient believes that these continuous efforts will ultimately result in a better future for the Company's customers, employees, and the communities it serves. Quadient also believes that conducting business in an ethical and responsible manner is essential to its sustainable growth and success. As the world faces rapidly evolving environmental, social and economic dynamics, global hotspots and crisis like the Covid-19 pandemic, the Group is prepared to face and address these challenges as a responsible leader in its field. As a result of the Company's strategy announced in January 2019, Quadient has also adjusted its CSR (Corporate Social Responsibility) strategy and organization to meet the needs of its future. Quadient's CSR strategy is guided by an in-depth materiality analysis, and is summarized in this document. In terms of organization and governance, the CSR & Compliance team is part of the people and transformation department, which is in charge of driving the strategic initiatives and transformation of the Company. The Strategy and corporate social responsibility committee of the Board of directors was created in September 2018. It now reviews the Company's progress on CSR matters regularly and offers its advice and support for future improvements.

The 2023 financial year marks the end of the Company's "Back to Growth" strategic plan for 2021-2023 as well as its ESG (Environment Social Governance) objectives and roadmap which have been defined accordingly. Over the past

three years, the Company has been able to engage its employees in a series of initiatives and programs aimed at improving and strengthening the way it conducts its operations in a more sustainable and responsible manner.

Quadient made significant progress across all five pillars that made up its ESG strategy. The Company has also strengthened its commitment by becoming a signatory of the global compact. Among the most important achievements, Quadient adopted a global Work from Anywhere policy, aiming to offer more flexibility at work, particularly through remote working. The Company has also established "Quadient Cares", a philanthropic program to support communities and "Quadient Emergency Fund", a fund to support employees affected, for example, by natural disasters or armed conflicts. Quadient has also strengthened its culture of ethics and integrity through training, awareness and communication of its global policies and by encouraging its employees to report concerns through its ethics line. Finally, the Group has also obtained significant results on its environmental policy, notably achieving this year the objective of reducing its carbon footprint (scopes 1 and 2) that it had set for 2030.

Most of the objectives set for 2021-2023 have been achieved, and the progress made has been recognized by the extra-financial rating agencies which monitor the Group's ESG performance. This positive and encouraging trend will serve as the foundation of the next roadmap and objectives associated with Quadient's ESG strategy for 2024-2026.

This chapter explains the non-financial risks, challenges and opportunities that have been incorporated into Quadient's CSR strategy, as well as the main results in 2023 ⁽¹⁾.

5.1.2 CSR STRATEGY AND POLICY

Quadient has deployed a CSR strategy that is in line with the Company's business and meets the environmental, social and societal challenges the Company faces. To achieve these objectives, the CSR strategy is built around five pillars:

- Empower Quadient's employees to achieve the Company strategy;
- Enable a culture of excellence and integrity;
- Reduce Quadient's environmental footprint;
- Build the best customer experience by offering innovative, reliable and sustainable solutions; and

- Engage within local communities and support them.

Quadient believes that anticipating environmental and social issues, together with the management of risks and opportunities, are important drivers of operational performance.

The CSR strategy takes into account the specific challenges of Quadient's activities as identified through the materiality analysis following consultation with internal and external stakeholders. This approach allows those stakeholders to participate in building a sustainable future while ensuring the Company's performance and stability.

¹⁾ In accordance with the order of 19 July 2017 and the decree of 9 August 2017. The value creation model can be found in the introduction book of this document.

A CSR ambition defined with stakeholders

Quadiant CSR ambition is based on a constructive dialogue with its stakeholders. Engaging through an ongoing dialogue with all of them enables to improve Quadiant CSR strategy on a regular basis. Such momentum is based on a detailed knowledge of the Company stakeholders and their specific concerns and expectations. In order to identify the most important stakeholders to be involved, the Company has set up an approach founded on the analysis of their level of influence based on their needs and expectations and on their interest in Quadiant business. Through its CSR programs, Quadiant is willing to address its stakeholders' expectations to create value for them and the Company.

Quadiant's dialogue with its key stakeholders is part of well-established processes taking place all along the year. In 2023, Quadiant continued to dialogue with all its key internal and external stakeholders. Regarding the investors and shareholders, Quadiant has explained its strategy, ambitions, programs and targets during the Capital Markets Day held in March 2021 and through several road show meetings and announcement of the Company's quarterly results.

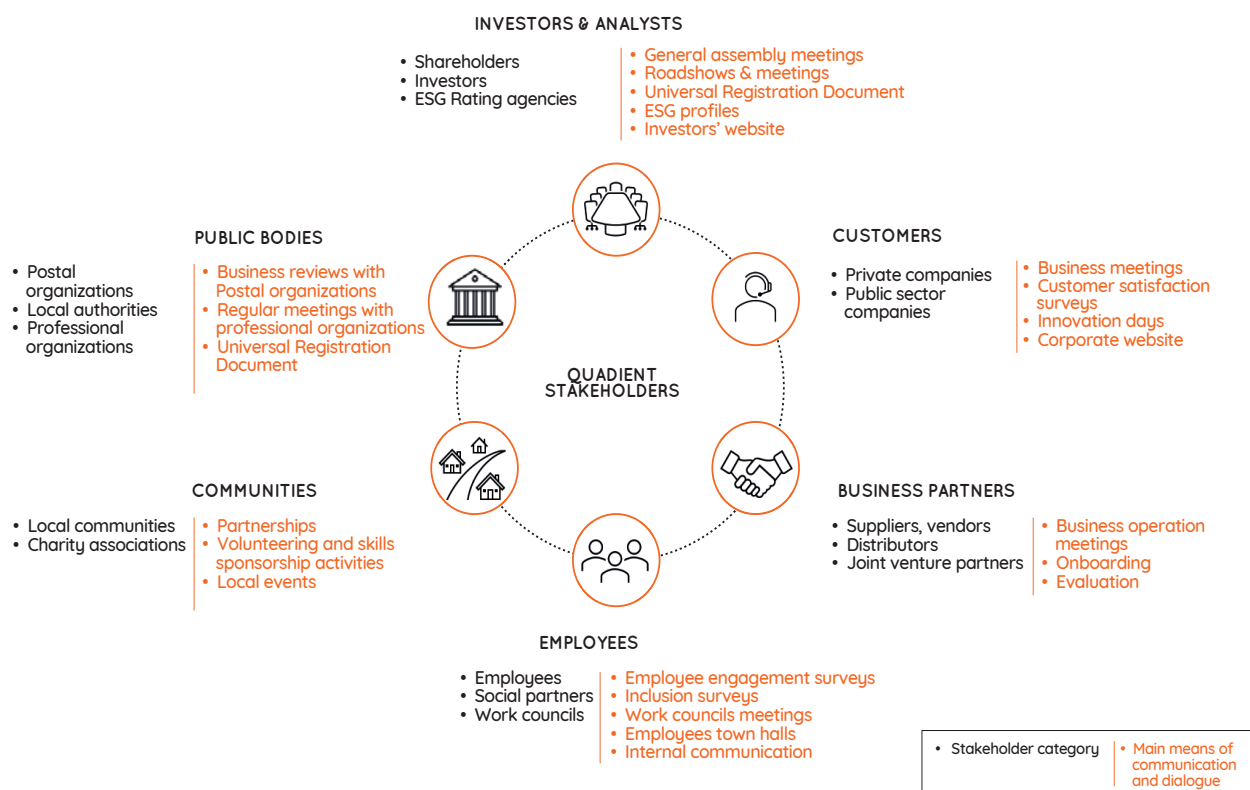
Regarding the public bodies, Quadiant has forged strong, long-standing relationships with postal organizations in the countries where it operates. The Company also participates actively in the professional organizations of the French Information Technology Industry Union (AFNUM), Syntec, FEVAD, allowing Quadiant to follow these developments and to anticipate future ones.

With its customers, Quadiant has strengthened its dialogue through business meetings, Innovation days (refer to this document in "Leverage technology to consistently innovate and improve Quadiant's portfolio of solutions" in section 5.1.6) and information provided through its corporate website and replies to customer's requests for information and through customer satisfaction surveys.

Regarding its business partners, Quadiant has reinforced its dialogue approach by implementing long term partnerships and introducing a new onboarding process with a new code of conduct for business partners and due diligence process (refer to this document in "A new responsible procurement strategy" in section 5.1.4).

Internally, Quadiant has continued to put the emphasis on its CSR programs and raise the awareness of its employees through different channels such as the internal platform called "WeConnect", engagement & wellness surveys, inclusion and engagement surveys, emailing campaigns and dedicated townhalls for instance for the Empowered Communities (refer to this document in section 5.1.3 "Empowering Quadiant's people to achieve the Company strategy"). Moreover, the Company has implemented "Quadiant Cares", its philanthropy program in which several corporate events enable the dialogue between employees and volunteers from various charity associations and foundations (refer to this document in section 5.1.7 "Engage and support local communities") on top of the partnerships developed by the Company in the framework of its program.

The stakeholders' mapping shown hereafter represents the ecosystem in which Quadiant operates as well as the main means/practices used by the Company to dialogue and communicate with all of them.



Materiality matrix

In 2019, Quadient reviewed its materiality analysis, taking into account the transformation initiated by its new strategy, the evolution of the Company's activities and organizational changes. This assessment, aimed at identifying emerging material challenges with a horizon of three to five years, also provides insight into the Company stakeholders' expectations and informs them about the importance of sustainability. In order to focus its efforts on the most material challenges, the Company conducted this assessment using the four-step process described below.

IDENTIFICATION OF CSR CHALLENGES

To meet the Company's sustainability and CSR challenges, Quadient benchmarked sector best practices, international standards such as ISO 26000, the United Nations Sustainable Development Goals, the Global reporting Initiative (GRI), and the issues raised by the Environment Social and Governance (ESG) agencies rating Quadient's non-financial performance. In total, 52 topics have been considered and classified into five areas (people, solutions, ethics & compliance, environment, and philanthropy).

CONSULTATION OF INTERNAL & EXTERNAL STAKEHOLDERS

This consultation was the opportunity to spark open discussions with Quadient's stakeholders to better understand their perception of the performance, risks and opportunities, and their expectations of the Company's CSR strategy. In addition, they were asked to rate each of the

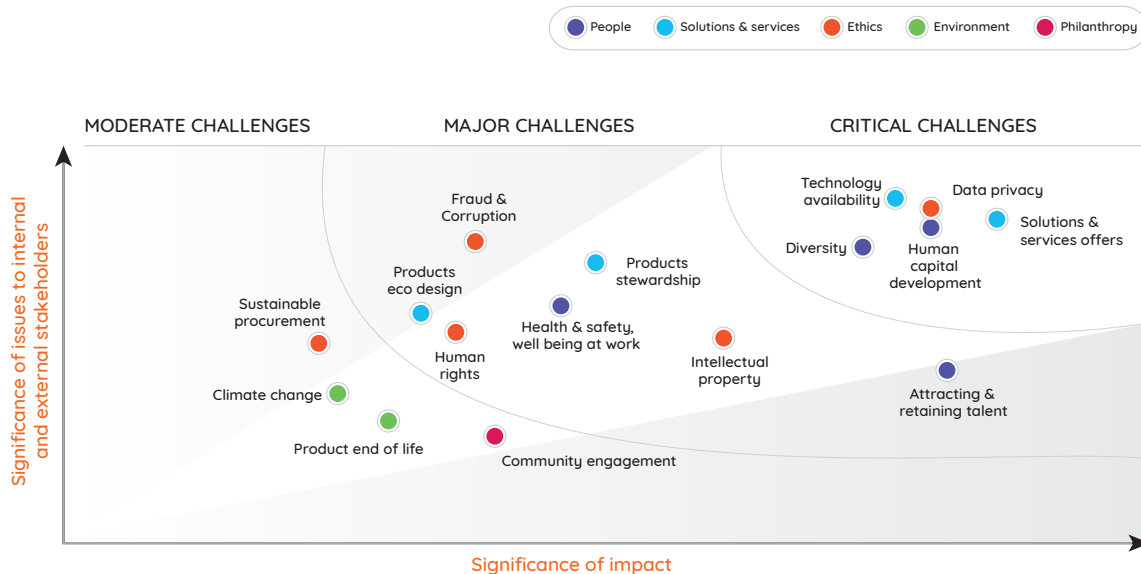
non-financial challenges according to three criteria: importance level for the stakeholders, importance level for the Company's business, and maturity level of the Company on these topics.

CONSOLIDATION AND MATERIALITY MATRIX

To design the materiality matrix, internal and external scores were averaged using equal weighting between the different categories of stakeholders. The challenges retained were plotted on a materiality matrix. Stakeholder ratings were reported on the y-axis, with ratings based on importance to the business reported on the x-axis. The Company classified CSR challenges into three groups: critical, major, and moderate.

ANALYSIS OF MATERIALITY RESULTS

Quadient retained 18 sustainability and CSR challenges from its materiality assessment. Of these challenges, six are considered critical, eight as major, and four as moderate. Critical challenges correspond to the main issues related to the transformation of the Company: new strategy, new digital business and organizational changes. Major challenges are historical in nature for Quadient; they were previously assessed and are still being carried out. Moderate challenges are still relevant, but only minimally affect the Company's performance and are well under control due to existing programs.



Non-financial risks

The non-financial risk mapping has been built in accordance with the Company's global risk mapping introduced in chapter 4, "Risk Factors and Internal Control", of this universal registration document. Each risk has been assessed according to the same methodology and criteria. All

executive leaders were asked to list all risks relevant to them and rate them on their likelihood (from "improbable" to "probable/very likely") and their impact (from "low" to "very high") for the Company. Consolidated results were presented and validated by Quadient's risks committee.

PRESENTATION OF THE MAIN NON-FINANCIAL RISKS

Main CSR risk/ opportunity	Risk description	Risk value
People		
Human capital development, talent attraction and retention	Anticipate problems with the transmission, transfer and acquisition of key or rare skills. Provide expert advice to employees and ensure they use it effectively to provide the highest quality of service. Prevent any risk related to recruiting and retaining key people and qualified staff.	●●●
Diversity and inclusive workplace	Promote equal opportunities in terms of recruitment, pay and benefits, promotion, access to leadership programs, training and career management. Prevent any risk of discrimination in general (age, race, gender, ethnic or social origin, nationality, language, religion, health, disability, marital status, sexual orientation, political or philosophical opinion, veteran status or otherwise, trade union membership or other characteristics protected by applicable laws and regulations).	●●
Health & safety and well-being at work	Promote work/life balance (flexible work, parental leave, teleworking, etc.). Prevent the risk of deterioration of working conditions and the working atmosphere within the Company leading to an increase in accidents and harming physical and mental health (especially during Covid-19 pandemic and the war in Ukraine).	●●
Ethics & Compliance		
Breach of ethical rules	Adopt transparent communication regarding the Quadient's policies on fraud, corruption and anticompetitive practices. Act in accordance with the legal requirements of the host country on the implementation of anti-corruption and anti-fraud policies, including third party whistle-blower programs.	●●
Data privacy & integrity	Protect data integrity against cyber-attacks, negligence or illegal access resulting in the corruption, theft, loss, leak of the Company's data or personal data or disruption of business.	●●
Sustainable procurement & Human Rights	Prevent the risk of Human Rights violations and abuse in the supply chain and operations by applying reasonable due diligence to both direct and indirect subcontractors and suppliers. Prevent the risk of failure to reduce the environmental footprint of products by acting with suppliers.	●●●
Environment		
Circular economy	Incorporate the principles of a circular economy (ecodesign, waste recycling, reuse, remanufacturing) when defining Quadient's solutions and services and in their business models.	●●
Climate change	Reduce Quadient's carbon footprint and seize opportunities to reduce operational costs at a time when climate change regulations are becoming more restrictive and carbon taxes a reality.	●
Solutions		
Ecodesign and sustainable products and solutions	Offer the best customer experience through innovative, competitive and sustainable solutions and services launched on the market at the right time.	●●
Intellectual property rights	Respect and enforce Quadient' intellectual property rights to avoid patent litigation, statutory fines and regulations associated with anticompetitive practices.	●●●
Philanthropy		
Community engagement	Encourage employees to support local communities and embody Quadient's values.	●

Legend: ●●● High risk, ●● Medium risk, ● Low risk

Quadiant's CSR strategy

Quadiant's CSR strategy is built around five pillars, which establishes a link between the Company's strategic vision and its main non-financial risks and challenges. In 2020, the Company has outlined its CSR Roadmap 2021-2023 and defined clear objectives and targets intended to be reached by the end of 2023. In addition, Quadiant has set ambitious 2030 targets to reduce the carbon footprint of its activities and solutions.

This roadmap is structured around 12 ambitions and 14 objectives, in line with the United Nations' Sustainable Development Goals (SDGs). For each of them, initiatives, programs and monitored annual targets have been developed. The table below illustrates the CSR pillars and ambitions, the main objectives and the results achieved in 2023.

Non-financial risks	Challenges	2023 Objectives	2023 Results	SDG
 Empowering Quadient's people to achieve Company's strategy See section 5.1.3				
Talent attraction and retention Health & Safety and well-being	Provide great working conditions empowering all Quadient employees to perform at their best	> 80% of employees eligible to remote working 2 days or more per week ^(a)	82.9%	 
Inclusion & Diversity	Create an inclusive and diverse culture indicative of Quadient's equal opportunity employer philosophy	>30% of women among managers	31.8%	
Human capital development	Give all employees the opportunity and the means for personal and career development and empower them to contribute to the Company's success	>30% of women among Extended Leadership Team (ELT) ^(b)	26%	
 Enabling a culture of excellence and integrity See section 5.1.4				
Breach of ethical rules and Responsible procurement	Promote a culture of integrity and ethical conduct through Quadient's compliance program	>95% employees endorsed the code of ethics >95% employees engaged in compliance and business ethics training program ^(c)	95% 95%	
Data privacy	Protect privacy and integrity of data entrusted to Quadient against internal and external threats			
Human Rights, Corruption & Bribery	Engage with partners and suppliers who observe standards similar to those of the Company	>95% strategic business partners have endorsed the code of conduct for business partners ^(d)	NC	

CSR challenges/ Non-financial risks	Ambitions	2023 Objectives	2023 Results	SDG
 Reduce Quadient's environmental footprint See section 5.1.5				 
Circular economy Climate change	Take actions to combat climate change and support global transition to a low carbon economy. Foster circular economy principles in Quadient's operations and solutions to lower the Company's environmental footprint.	Reduce CO ₂ emissions by: (i) 50.4%, for Scope 1 & 2 between 2018 and 2030 (ii) 40%/€m revenue for targeted categories, for Scope 3 between 2018 and 2030 ^(e) Mail-Related solutions (MRS) equipment remanufacturing to account for more than 50% of MRS products placed on the market	58.6% for Scope 1 and 2 9% /€m revenue for Scope 3^(f) 63%	
 Build the best customer experience by offering innovative, reliable, and sustainable solutions See section 5.1.6				 
Customer satisfaction Innovation, technology availability	Leverage technology to consistently innovate and improve Quadient's portfolio of solutions.	Achieve overall customer satisfaction above 95%	94%	
Innovation, technology availability				
Intellectual property	Design cutting-edge sustainable solutions to help Quadient's customers fulfil their needs while contributing to sustainable development.	Pursue investments in R&D above 4.5% of consolidated revenues	5.9%	
Eco design and low carbon products and solutions				
Product stewardship	Deliver high quality, reliable and secure solutions to Quadient's customers.			
 Engage and support local communities See section 5.1.7				    
Community engagement	Embody the Company's values by supporting local communities in the fields of Education & Decent Employment, Inclusion & Diversity and the Reduction of Waste and Pollution.	5,000 annual hours + contributed by Quadient's employees ^(g) supporting communities >€100,000 of financial donations to Non-Profit Organizations ^(h) 25% of employees engaged and involved in volunteering & sponsorship projects (contribution rate)	7,202 hours^(g) €310,520^(h) 17%⁽ⁱ⁾ engaged across 18 countries	

(a) This is the percentage of employees eligible to remote working on human capital management system.

(b) This KPI represent the whole company and not the CSR reporting scope.

(c) Training program in 2023 was tied to code of ethics, data privacy, information security, corruption and bribery, competition.

(d) The code of conduct initially intended for production suppliers has been extended to all strategic business partners (suppliers, vendors, JV partners, commercial dealers). In 2023, the code was sent to all production and non-production suppliers late in the year, delaying the target set for this year to have it endorsed by 85% minimum of strategic partners. Therefore, this target is delayed to 2024.

(e) Reduction target of 40% per €m revenue for scope 3 on targeted categories between 2018 and 2030: use of sold product, purchase of goods and services, business trips and employee commuting.

(f) CO₂ emissions from the use of digital solutions by customers have been removed from the calculation of emissions in the targeted Scope 3 categories for the baseline and year N due to the identification of double counting with the Scope 3 category "purchase of services".

(g) Number of volunteered hours cumulated since the introduction of Quadient Cares program in April 2021.

(h) Total amount of donations cumulated since the introduction of Quadient Cares program in April 2021

(i) The contribution rate is calculated considering the number of employees engaged in the program or volunteering on their own vs. the active employees that were present during the fiscal year

International Standards

QUADIENT COMMITS TO THE SUSTAINABLE DEVELOPMENT GOALS AS A SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT

By joining the United Nations (UN) Global Compact in 2021, Quadient asserts its commitment to respecting, supporting and promoting the ten Principles of the Global Compact on Human Rights, labor, environment and anti-corruption within its sphere of influence. Quadient will also undertake actions to advance the broader development goals of the United Nations, and already intends to contribute to the achievement of the following eight Sustainable Development Goals (SDGs):

- Goal 4: “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”. Indeed, Quadient is involved in education matters, mainly through its philanthropic initiatives with Quadient Cares program (in kind donation of devices to schools, financial donations, on site volunteering with students) and also through partnerships with charities, schools and universities in France, the United Kingdom and Czech Republic for instance. The Company also regularly builds effective learning programs to enhance skills and capabilities of employees and invests in e-learning solutions such as the Learning Hub.

Main stakeholders: employees and communities;

- Goal 5: “Achieve gender equality and empower all women and girls.” Quadient is committed to gender equality and, as far as possible, it wants to not only recruit more women but also allow them to access management positions through internal promotion. Also, Quadient is a Team Partner of Women in Sales Everywhere (WISE), a global community dedicated to empowering the next generation of female sales leaders. Quadient supports the goal to create a place for women in sales, regardless of geography or seniority, to meet peers, find mentors, and create growth opportunities, in order to systematically change the executive suite statistics in the industry. Through Quadient Cares program, several partnerships such as with Czechitas also contribute to the empowerment of girls and women.

Main stakeholders: employees and communities;

- Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” In accordance with its code of ethics and supplier code of conduct, Quadient is particularly vigilant as to the working conditions of all its suppliers and partners, and is committed to respecting the fundamental principles set out in the United Nations’ Universal Declaration of Human Rights and the conventions of the International Labour Organization. Moreover, it helps boost employment in the different regions of the world in which it operates. Several partnerships with charities in the UK and France also allow Quadient to support decent employment for young people and women at local level.

Main stakeholders: partners, employees and communities;

- Goal 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.” As a committed and innovative player in the fields of digital communication (Intelligent Communication Automation suite) and the value chain for parcels (Parcel Locker Solutions), Quadient’s business naturally dovetails with this goal.

Main stakeholders: partners, customers and communities;

- Goal 10: “Reduce inequality within and among countries”. Quadient aims to create an inclusive and diverse culture indicative of the Company’s equal opportunity employer philosophy. The Company gives all employees the opportunity and means for personal and career development worldwide. Quadient also strives to provide the same good working conditions and advantages (mutual insurance, paid holidays, decent salary) to all its employees working in around 30 countries. Quadient hires local employees whenever possible. Finally, Quadient supports its local communities mainly in the fields of Education & Decent Employment, Inclusion & Diversity, and the reduction of waste and pollution, through its philanthropic program.

Main stakeholders: employees, partners and communities;

- Goal 11: “Make cities and human settlements inclusive, safe, resilient and sustainable”. Quadient leverages technology to consistently innovate and improve its portfolio of high-quality, reliable and secure solutions for customers. The Company develops cutting-edge sustainable solutions to help its customers fulfill their needs while contributing to sustainable development. For example, in cities facing higher volumes of e-commerce deliveries as a result of consumers shopping online, traffic congestion from delivery trucks continues to grow, leading directly to increased CO₂ emissions. Parcel lockers solutions help to reduce missed deliveries and therefore reduce CO₂ emissions related to the re-delivery of parcels.

Main stakeholders: communities, partners and customers;

- Goal 12: “Ensure sustainable consumption and production patterns.” Quadient is a player in the circular economy through its remanufacturing approach. Furthermore, the Company deploys collection processes for its end-of-life products and consumables.

Main stakeholders: customers;

- Goal 13: “Take urgent action to combat climate change and its impacts.” Quadient participates in initiatives to reduce energy consumption, optimize upstream and downstream freight transport, and reduce the carbon footprint of its products, detailed in the environmental section below.

Main stakeholders: communities, partners and customers.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS FRAMEWORK

Quadient is committed to transparent reporting on its sustainability performance.

The Company use the Global Reporting Initiative (GRI) Standards as a basis for disclosure. GRI Standards help businesses and other organizations understand and communicate their impacts on ESG issues by providing them with the global common language. They are regularly reviewed to ensure they reflect international best practices for sustainability reporting and help the Company respond to the expectations of its stakeholders.

This report has been prepared with reference to the GRI Standards: 2021 (GRI 1, GRI 2, GRI 3). This Standard is effective for reports or other materials published on or after 1st January 2023.

A table cross-referencing the information in this document with GRI Standards is available in section 8.7.4 / Table of concordance for the Global Reporting Initiative pages 291 - 296.

ISO 9001, 14001, 27001, 27701, AND 45001 STANDARDS

Quadient has deployed an Integrated Management System (IMS) and is committed to global standards since many years.

ISO certifications drive Quadient:

- to continually improve its processes and services;
- to deliver products and services on time and fit for purpose;
- to offer support and services that ensure the best use of its products and solutions;
- to conform to regulatory requirements and applicable international and industrial standards; and
- to understand and meet the requirements of its customers, suppliers, employees and shareholders.

Regarding quality management system, all the Company's R&D, manufacturing and logistic sites are ISO 9001 certified. This enables Quadient to continually monitor and manage quality across all operations and means that from design to after-sales service, operating procedures are deployed, and rigorous controls are applied to ensure a high level of product performance.

For environmental management system, Quadient introduced ISO 14001 standard in 2005. In 2023, 40% of the Company's entities are ISO 14001 certified. In its industrial sites, all of which are certified ISO 14001, Quadient is committed to manufacturing and assembling its products to the highest industry standards, respecting responsible environmental practices.

Regarding occupational health and safety, the Company has had OHSAS 18001 certifications since 2006 and ISO 45001 certifications since 2018, mainly for its industrial sites. These certifications, issued by an independent third party, attest to Quadient's commitment to the health and safety of its employees. In 2023, 8 entities, including all the industrial sites, were certified ISO 45001.

For Information security management standard, Quadient is committed to following the best practices in international security and since 2017 has been the proud holder of the ISO 27001 certification across multiple sites. Quadient UK and YayPay are also certified to ISO 27701.

In the process of 2017, Quadient extended its Information Security Management System to cover cloud services. To achieve this, the Company introduced the ISO 27017 and ISO 27018 standards (specific to cloud based operations) within its Research and Development sites in the Czech Republic.

OCDE/ILO

Quadient respects the standards of the International Labour Organization (ILO) as a signatory of the Global Compact since March 2021 and its main principles are mentioned in its Code of Ethics. The Company also respects labour standards, develops policies and devises programs promoting decent work for all women and men at corporate but also at local level.

The Company strives to continuously improve its policies by following the principles and guidelines of the Organization for Economic Co-operation and Development (OECD) which establishes evidence-based international standards and finds solutions to a range of social, economic and environmental challenges.

Evaluation of the Company's CSR performance by independent third parties

Quadient's CSR performance is evaluated annually by independent third parties. This process allows the Company to measure its progress, identify areas for improvement, and benchmark its performance against industry peers.

As part of its environmental strategy, Quadient responds to the Carbon Disclosure Project (CDP) since 2009. In February 2024, Quadient obtained a score of "B" corresponding to "Management level" for the sixth time, positioning Quadient above the average of companies in its industry (average score of "B-"). The CDP is an independent international organization that provides a global system for measuring and publishing environmental information. In particular, it assesses companies management and performance in relation to climate change and ranks them from "D" (lowest) to "A" (highest).

In 2023, ISS ESG, one of the world's leading rating agencies for sustainable investments, granted a "B-" score to Quadient.

This represents an improvement over the "C+" score of 2022, solidifying Quadient's position as a "Prime" Company. This status is given to companies with an ESG performance above the sector-specific prime threshold. Quadient is positioned in the top decile of its industry sector.

MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. MSCI ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). Quadient received a 'AA' score in 2023 for the 8th consecutive year.

Sustainalytics' ESG Risk Ratings are designed to help investors identify and understand financially material ESG risks at the security and portfolio level. Risk Ratings are categorized across five risk levels: negligible, low, medium, high, and severe and are underpinned by more than 300 indicators (depending on the sub-industry) and 1,300 data points. In 2023, Quadient was evaluated as having negligible risk of material financial impacts related to ESG factors due to the Company's low exposure and robust management practices.

Moody's Analytics provides trusted and transparent data and perspectives across multiple areas of risk - credit; climate; environmental; social; governance - to help market participants identify opportunities and manage the continuously evolving risks of doing business. In 2023, Quadient received a score of 52/100, which is higher than the industry sector's average score of 40/100. Quadient is also included in the Ethibel EXCELLENCE and Ethibel PIONEER Investment Register.

In April 2023, Quadient is awarded the "Platinum" certification awarded medal by EcoVadis, the highest distinction, by EcoVadis for its Corporate Social Responsibility commitment

and performance, for the second year in a row. The EcoVadis rating agency certifies companies' commitment to sustainable business development, specializing in assessing suppliers for global supply chains. Quadient received an overall rating of 79/100 and ranked among the top 1% of suppliers in its industry sector.

In December 2023, Quadient was a top three nominee in the "listed mid-sized company" category at the 4th edition of the "Intangible Trophies". This event, organized by the Observatory of the Intangible and its partners, celebrates companies' leadership in valuing their intangible assets.

5.1.3 EMPOWERING QUADIENT'S PEOPLE TO ACHIEVE THE COMPANY STRATEGY

Quadient firmly believes that its employees are the key to success. Their talents, ideas, engagements and actions shape the future of the Company's business on a daily basis. This is especially important as part of the Company's transformation and to adapt to new business trends. To sustain its operations around the world and get ready to innovate and to grasp the opportunities generated by its strategy, Quadient conducts a review each year of the conditions needed for a reciprocal, lasting and loyal commitment between the Company and its employees. Quadient is also committed to supporting its employees in changing its business by providing the means and opportunity to grow and help fulfil the Company's strategy in a sustainable manner.

Quadient cares about the well-being of its employees and is committed to improving working conditions, ensuring health and safety at work for all, enhancing their professional skills and promoting diversity and an inclusive culture for all employees. The Covid-19 pandemic accelerated the evolution towards hybrid work in the Company and was an opportunity to offer more support and facilities to employees to find the right work-life balance.

■ AMBITIONS & TARGETS 2021-2023

Ambitions	Key Performance Indicators (KPIs)	2023 Results	2022 Results	Target achievement by end of 2023
Provide great working conditions where all employees perform at their best	% of employees eligible to remote working 2 days or more per week ^(a)	82.9%	84.3%	>80%
	% of women among managers	31.2%	29.2%	>30%
Create a diverse and inclusive culture and be an equal opportunity employer	% of women among the Extended Leadership Team ^(b)	26.1% ^(c)	23.4%	>30%
	% of employees having received at least one training course over the year	91.8%	78.4%	>90%
Give all employees the opportunity and means for personal development and to contribute to the Company's success	Number of training hours per FTE	37.3h	12.5h	N/A
	% of employees having received a regular performance and career development review during the year	88.8%	79.2%	>90%

(a) Employees eligible to telecommuting/teleworking and projected as "mobile".

(b) The Extended Leadership Team brings together the critical functions leading the company and the deployment of its strategy. As of 31 January 2024, the extended management team includes 88 people.

(c) The 2023 result represents the percentage of women among the Extended Leadership Team while the 2022 result corresponds to the representation of the number of women among the Senior leaders of the Company, since replaced by the Extended Leadership Team.

Provide great working conditions where all employees can perform at their very best

As a responsible employer, Quadient prioritizes the well-being of its employees, encourages professional and personal development, and fosters a culture of collaboration. These commitments are formalized in the Company's code of ethics and the Global HR policy, implemented across the organization.

The Company focuses on issues such as:

- work/life balance by increasingly allowing employees
 - to work remotely with an average of at least 2 days per week,
 - more hybrid work in all entities,
 - the right to disconnect,
 - more flexible working hours,
- the prevention of psycho-social risks notably through training, and regularly monitoring employee commitment through an engagement and inclusion survey.

Quadient provides its employees with safe, risk-free workplaces, and does not tolerate any form of harassment, intimidation, threat or violence. These commitments protect employee's quality of life based on the health and safety and also wellness of each individual.

ENGAGEMENT & INCLUSION SURVEY AND SOCIAL DIALOGUE

Quadient attaches great value and importance to the feedback of its employees. To assess the level of employee engagement and identify areas for improvement, the Company launched a Pulse Survey in 2023. This survey was set out to assess the effectiveness of the communication around the previous engagement survey results and to measure the awareness of the action taken so far in response.

The participation rate was at 74 %, 1,266 comments were shared by employees. The results revealed that 73 % of the participants share that they have seen the previous year survey results, 62 % have discussed engagement survey results with their manager and are familiar with the related action plans. 51 % have noticed actions and changes as a result of their feedback, yet too early for seeing impact.

Regarding employees dialogue, in 2023, 14 collective agreements were signed with workers' representative bodies. 104 collective agreements are currently effective and cover, for example, work arrangements, teleworking, work/life balance, quality of life at work and among them 12 are on health and safety. At Group level, 32.7% of employees are covered by a formal collective agreement in 2023 (in 5 entities in France, Quadient Sverige AB, Quadient Finland Oy, Quadient Germany GmbH, Quadient DOPIX Germany GmbH and Quadient Technologies Czech s.r.o.).

HEALTH & SAFETY AT WORK

Quadient is deeply committed to ensuring the health and safety of all employees, a commitment that is actively pursued by every entity within the Company. Each Quadient entity tailors a local health and safety policy to its specific

activities and manages its own safety system. The Company has had OHSAS 18001 certifications since 2006 and ISO 45001 certifications since 2018. The system has been implemented based on recognized risk management especially for its industrial sites. These certifications, issued by an independent third party, attest to Quadient's commitment to the health and safety of its employees. Renewed every year, ISO 45001 also reflects the Company's continued improvements in the areas of health and safety at work. In 2023, 33% of the Company staff are covered by ISO 45001 certifications programs. The countries covered by those certifications are the following: France, the UK, Ireland, Belgium, the Netherlands, the United States and Hong Kong.

Above and beyond compliance with regulations, each site has implemented prevention plans to improve safety. An annual report, in the form of a single document on occupational risk assessment for French entities, identifies the risks by population for the purposes of control and prevention. Other preventative measures have been established, such as laying down procedures in the event of fires or other disasters; making employees aware of these procedures and giving them some basic training; and training special teams in charge of safety. The issue of stress at work is covered in Smart Work program with tips provided to all employees at global level and also addressed locally by entities such as Quadient Inc., Quadient Netherlands BV and Quadient France for instance.

Awareness sessions focused on psycho-social, occupational safety, and health risks are conducted annually for new joiners and existing staff. To further promote safety and well-being, Quadient France has introduced monthly Quality, Safety, and Environment (QSE) events, encompassing workshops, conferences, individual meetings, and "safety cafes." In 2023, approximately twenty workshops were offered, covering topics such as the prevention of musculoskeletal disorders, addictions, screen work, sedentary lifestyle, stress management, performance, and well-being in remote work. Attracting broad participation, these workshops have achieved a high satisfaction rate of 9.3/10.

In 2023, 804 employees completed over 3,500 hours of local health and safety training, reflecting Quadient's ongoing commitment to fostering a safer and healthier work environment.

The weekly working hours (full time) was of 38.22 hours and the annual working hours represented 8,109,636 hours, i.e. 1,066,255.95 days in total. The frequency rate for Quadient employees for 1,000,000 hours worked per day (hwd) represented 2.22 and 0.44 for 200,000 hwd. Regarding temporary employees, the frequency rate for 1,000,000 hwd represented 0.12 and 0.02 for 200,000 hwd. In 2023, for Quadient employees, the severity rate was at 0.07.

The global absenteeism rate was at 1.99% (1.93% for absenteeism due to sickness, 0.02% for absenteeism due to occupational diseases, 0.05% for absenteeism due to work accidents, 0.01% for absenteeism due to commuting accidents).

Regarding work accidents in 2023, the total number was 41 with 0 accident for external temporary employees (contractors / temps) and interns and 41 for Quadient employees (permanent contracts, fixed term contracts, apprenticeship contracts).

There were 19 work accidents with time-off and among them 18 for Quadient employees and 1 for external temporary employees), 9 accidents while commuting (only for Quadient employees), 0 fatal accident, 24 near misses and among them 24 for Quadient employees and 0 for or external temporary employees (contractors / temps).

For lost working days, 553 were due to work accidents for Quadient employees (7 for contractors, temps and interns), 61 due to accidents while commuting for Quadient employees, 20,555 lost working days were due to sickness for Quadient employees and 54.5 for external temporary employees (contractors / temps) and interns and 20 lost working days due to occupational disease only for Quadient employees.

Initiatives	2023 Results
Engagement and Inclusion survey	• 74% participation rate in Pulse Survey.
Flexible working	• 82.9% of employees eligible to remote working 2 days or more per week.
Health and safety prevention	• ISO 45001: 33% of the Company staff are covered by these certification programs. • The absenteeism rate for work-related accidents with time off was: 0.05% for Quadient employees.

WORKING AND SOCIAL BENEFITS AND REWARDS

Some benefits are provided to full-time or part-time employees of the organization (but are not always provided to temporary employees): life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, stock ownership. A Global Total Rewards policy develops, implements and ensures a consistent approach, that meets standards and is applied to all employees while respecting local laws, regulations and customs for compensation and benefits. This policy provides harmonized guidelines and are transcribed into local applications and approaches to meet market standards and regulations. Total Rewards is a concept that describes all the tools available that may be used to attract, motivate and retain employees in a transparent and equitable way.

FOCUS ON TELEWORKING, "WORK FROM ANYWHERE" PROGRAM AND "SMARTWORK" PROGRAM

For several years now, the Company has offered employees the option of working remotely (teleworking) and adopting flexible work hours, as long as this remains compatible with the nature and purpose of their duties and complies with local laws. This approach is part of a process to improve the quality of life at work. To do so, Quadient provides employees with the digital tools necessary to work remotely. Most employees are equipped with laptops and mobile phones. The migration to Office 365 and a connection through the Company's VPN (Virtual Private Network) enables access to all applications and collaboration tools employees need for remote work.

The program called "Work from Anywhere" and the dedicated policy have been built based on feedbacks collected in different countries and launched in 2021 to provide employees with more flexible and agile working conditions. Quadient's business strategy includes reduction costs in every region and this program also enables to reduce office costs such as buildings invoices related to energy and water consumptions. The main idea is also to facilitate the development of teleworking and to provide flexible working conditions even at the office with the organization of working spaces or flexible working hours for instance. And the challenge is also to retain and attract top talents by providing hybrid work and taking into account new trends on labor market.

The "Work from Anywhere" policy was initially designed as an initiative for improving the safety and well-being of employees from Covid-related exposure and to provide more flexible working conditions and hybrid work for interested employees. The main objectives of "Work from anywhere" are also to improve employees' efficiency, agility, and productivity, to ensure a fit-for-purpose office network-purpose and finally to support Quadient's employees in ways that help them do their best work together, wherever they are working from. Due to the positive results and the high acceptance of its employees, Quadient in July 2021 has decided on being a predominantly "remote" workplace meaning more than 80% of employees spend a large majority of their time working from home.

"Smart Work" is a skills' development program launched in October 2020, which supports people working flexibly, remotely or with a hybrid way of working. It combines digital transformation with new ways of working and offers employees more choice in how they do their work. The main aim of this program is to lead change within Quadient's internal community.

WELLNESS AND EMPLOYEE ASSISTANCE PROGRAM

The Company has set up an employee assistance program to help employees deal with challenges and prepare them to be more effective and perform better at work and in life in general. Through this program, employees and their families can access practical information and advice on a broad range of topics, from financial advice to addiction. It helps to manage emotional, practical or physical needs. Information can be provided over the phone or via meetings arranged at the employee's convenience. The support is provided an independent company specializing in the provision of wellness offerings and employee assistance programs.

It has no cost to the employees and is available 24 hours a day, 7 days a week, 365 days a year. Employees have access to 6 counselling sessions per issue, per year. It is confidential. Quadient only receives utilization statistics but no personal, identifying information will be disclosed. This is an independent, impartial source of support.

Some actions were taken to promote the practice of physical activities and sports. In Bagneux for instance a “conciergerie” provides services to employees and give them access to a sport halls with the possibility of enrolling in group classes.

In France, some QSE virtual training sessions were offered to employees with for instance back gymnastics, sophrology, cooking classes. The ESC (social and economic committee) also provides some benefits to employees in France for entertainment, sports, travels.

Nurturing a diverse, equitable and inclusive workplace

Quadient’s growth is intrinsically linked to the diversity and complementarity of the skills of its workforce. The Company is proud of the multiculturalism of its teams, and relies on them to encourage innovation, creativity and collaboration. Quadient adheres strictly to a fair and equitable hiring process. By respecting all cultures and fostering an inclusive work environment, every employee is empowered to do inspired, passionate work and help the Company succeed. Quadient offers equal employment opportunities to all employees and applicants.

The Company does not tolerate discrimination on the basis of age, race, gender, ethnic or social origin, nationality, language, religion, health, disability, marital status, sexual orientation, political or philosophical opinion, veteran or other status, trade union membership or other characteristics protected by applicable laws and regulations. All employees, regardless of job title or level, must be treated fairly in matters relating to promotion, training, hiring, compensation and termination.

Quadient has set high ethical standards for everyone who acts on behalf of Quadient, and strictly prohibits any acts of violence, harassment and bullying, whether carried out by an employee or a non-employee.

In 2023, seven incidents of discrimination, harassment or unfair treatment have been reported. All of them were taken very seriously and have been subject to strict investigations. A remedial plan was conducted on each of them with disciplinary actions and obligations to take specific training on harassment. Four of the incidents have been closed during the year, three are in progress.

Inclusion and Diversity

Our Commitments



Build, retain, and develop diverse teams



Diversity goals for all members of Extended Leadership Team



Promote awareness and understanding among all employees



Embed inclusive practices into the processes and culture



Develop external partnerships to help move the inclusion agenda forward

Empowered Communities

Love is love

Promote an inclusive workplace for LGBT+ employees through maximizing the engagement, visibility, well-being, advancement, development and contributions of the LGBT+ community and allies at Quadient.

Fearless Women

Empower, strengthen, and encourage women to be inspired, to connect in a safe space where learning, sharing life experiences, being creative and passionate for the causes we care about that unite us.

Mosaic

Committed to exploring ways in which we can expand our efforts towards eliminating biases to deliver change within our organization, in turn, play our part in combating racism across the world.

DiverseABILITY

Foster an attitude of inclusion, support colleagues with a disability, and promote greater equality throughout Quadient through education, awareness, and the sharing of lived experiences.

Act4Earth

Actively promoting changes in daily habits, providing information and education on natural resources and environmental protection.

Key results

74%

Participation rate in Pulse survey

3.4%

Employment of people with disabilities (3.3% in 2022)

31.8 %

Number of women among managers (29.2% in 2022)

23.6%

Staff over 55 years in Quadient (22% in 2022)

Initiatives	2023 Results
Gender diversity	- At 34.8%, the number of women in Quadient up 0.5 percentage point compared with 2022. - At the end of the full-year 2023, female managers accounted for 31.8% of the total number of managers. - Women represented 26.1%^(a) of Extended Leadership Team.
Feminization of the governing bodies	- Board of directors: 40% women at the end of 2023^(b). - Executive committee: 18.2%.
Adhesion to inclusion & diversity charters	Since 2020, Quadient has signed charters in France, the UK, Germany, Austria, Italy and Switzerland. In 2023 partnerships signed with Radius Networks, myGwork, Women in Sales Everywhere.
Employment of people with disabilities	- Employment rate of people with disabilities at Company level: 3.4%. - Employment rate of people with disabilities in France: 3.6%.
Representation of employees per age category	- Under the age of 25 represent 2.0% of the workforce in 2023. - Between the age of 25 and 35 represent 20.5%. - Between the age of 36 and 45 represent 25.1%. - Employees between the age of 46 and 55 represent 28.8%. - Staff over 55 years of age account for 23.6% of the Company's total workforce.

(a) This KPI represents the whole Company and not the CSR reporting scope.

(b) In accordance with French law and the Atep-Medef code, employee-representative directors are not taken into account when determining the proportion of women on the Board of directors.

PROGRAM TO ENHANCE DIVERSITY AND INCLUSION

Building and fostering a diverse and inclusive culture continues to be high priority. This ambition is indicative of Quadient's equal opportunity philosophy and remains one of the objectives of HR policy and CSR approach. In 2023 there was a continued focus to level up the diversity, equity, and inclusion (DE&I) efforts across Quadient including a comprehensive update on the diversity and inclusion program with a focus on governance, talent integration, partnerships and upskilling managers & leaders.

Governance

Quadient allocated dedicated resources to craft its diversity, equity, and inclusion strategy. The hiring of Quadient's first director of diversity, equity, and inclusion emphasizes the strategic importance of advancing Quadient's DE&I initiatives. This position, reporting directly to the vice-president of talent, is integrated into the talent & diversity team, ensuring direct access to the broader leadership team. Furthermore, the "Empowered communities" steering committee was launched to foster collaboration among the five communities. Here, each community leader meets monthly to share updates on progress, upcoming initiatives, and extend support to one another. This committee ensures that Quadient's EPIC values are embodied. It actively explores strategies to maintain safer spaces for employees and introduces initiatives and events that enrich the organizational culture.

Training and Awareness

In the scope of 2023, Quadient has continued its commitment to raising awareness of diversity and inclusion. This comprehensive approach involved the introduction of new training programs designed to equip leaders and managers with the necessary tools to identify and minimize biases, thereby ensuring more inclusive practices throughout the workplace. These training initiatives were strategically focused on pivotal areas of the talent lifecycle to foster an environment where diversity and inclusion are not just endorsed but practiced daily.

In alignment with the objectives, Quadient launched inclusive talent reviews, a series of interactive training sessions specifically tailored for the extended senior leadership team and people managers. These live workshops were instrumental in equipping leaders to arise awareness, minimize bias and conduct talent reviews consistently and fairly.

Embedding inclusivity into the recruitment processes, hiring teams participated in Inclusive Hiring workshops. These comprehensive sessions were dedicated to mitigating bias through the hiring process to attract a diverse pool of applications but also to ensure fairness and consistency in candidate evaluation and selection.

Quadient's Empowered Communities play a key role in raising awareness and engaging employees in open conversations on diversity and inclusion. These forums provide spaces for sharing experiences, challenging assumptions, and fostering a deeper understanding of diversity. Through these dialogues, the aim is to continuously educate the workforce, encouraging empathy, respect, and inclusion across all levels of the organization.

Community Engagement

In 2023, with a global reach extending over 700 Quadient employees, the Empowered Communities, led by employees and sponsored by executive committee members, were crafted to foster learning opportunities, raise awareness for supportive spaces, and empower Quadient's workforce to drive meaningful change. These groups serve as secure forums for discussions and ideas relating to the inclusion and advocacy on matters relating to women, race, ethnicity, culture, sexual orientation, gender identity, disabilities, neurodiversity, and the environment. The Groups also assist in outreach programs with charitable and non-profit organizations involved in the Company's philanthropic activities. Quadient's five Empowered Communities are: Fearless WoMen, Love is Love, The Mosaic, DiverseABILITY and Act4Earth. 2023 was a year of growth for the Empowered Communities, including the launch of its own communication platform on the Quadient' internal communication platform Viva Engage, making conversations accessible for a wider audience. The successful growth is not only taking place in increasing awareness across the company, but also reflected in the increased attendance in Empowered Community events by 186%.

Among the initiatives taken this includes: a global celebration of one key event per year for each of the Empowered Communities such as the Black History Month, International Women's Day, PRIDE, World Clean Up Day, and the International Day of People with Disabilities. Members from each Community run a global townhall with external speakers. Other events consist of media and book clubs, coffee sessions, learning and networking sessions, and thought leadership.

Besides that, official mission statements and key objectives have been put down in each charter of the Empowered Communities, shared and aligned with the sponsor of each group. Also, the organisational structure of each community has been made more efficient with an update of the executive team sponsors and the establishment of responsible leads for the Empowered Communities' events and communications.

Partnerships and memberships

Quadient continues to form partnerships with organizations committed to taking collective action on diversity, equity and inclusion. Quadient is proud signatories of CEO Action for Diversity and Inclusion, members of The Valuable500 and The Conference Board. CEO Action is a CEO-lead initiative to advance diversity and inclusion in the workplace, with more than 2,500 signatories from 85+ industries. Additionally, Valuable500 is a global initiative for the inclusion of people with disabilities in business. This initiative brings together 500 companies to be a catalyst for change, unlocking the social and economic value of over 1 billion people living with disabilities worldwide. Quadient actively participates as a member of Generation Valuable, a career development and mentoring program, initiated by the Valuable500, for employees living with or supporting a family member with a disability, addressing the gap in disability talent at all levels and preparing the leaders of tomorrow. Finally, the Conference Board brings professionals together to dive deep into the true issues facing diversity, equity, and inclusion today and discuss potential solutions to drive future business success.

Furthermore, in 2023, Quadient expands its partnerships with organizations, establishing collaborations with Radius Networks, myGwork, Women in Sales Everywhere, and MyClearText – a live captioning service through advanced technology.

Radius specializes in providing training and consultation services tailored to developing and empowering employee networks, resource groups, and DE&I Champions. Quadient's Empowered Community Leaders were given the opportunity to participate in the "Employee Network Leadership Program", gaining insights and expertise in developing their respective communities.

myGwork is the largest global business community of LGBTQ+ professionals, graduates, inclusive employers and anyone who believes in workplace equality. It empowers the LGBTQ+ community by offering individual members a safe space where they can connect with inclusive employers, find jobs, mentors, professional events, e-learning/training, news and much more. Quadient holds a silver membership with

myGwork, collaborating with the organization to enhance our employer brand, bolster talent attraction efforts, increase visibility, and provide education opportunities.

Quadient is a Team Partner of Women in Sales Everywhere (WISE), a global community dedicated to empowering the next generation of female sales leaders. Quadient supports the goal to create a place for women in sales, regardless of geography or seniority, to meet peers, find mentors, and create growth opportunities, in order to systematically change the executive suite statistics in our industry.

Finally, Quadient strategically shares job openings across multiple platforms to broaden the reach and enhance diversity in our talent pools.

EQUAL PAY BETWEEN WOMEN AND MEN

Quadient has released the latest gender equality indexes for its French subsidiaries, aligning with the objectives of French law 2018-771 dated 5 September 2018, which seeks to eliminate pay disparities between genders. The indexes evaluate pay differences across five crucial metrics: the average pay gap between genders; equal opportunity for salary increases; parity in promotion opportunities; adjustments in pay during maternity leave; and the gender distribution among the top 10 highest salaries.

This year, based on social data from 2023, the French entities with over 250 employees, Quadient France, and Quadient Industrie & Technologies France, achieved scores of 90 and 85 out of 100, respectively. Comprehensive details on the results by entity are provided annually and are accessible on the Quadient Group's website.

In the United Kingdom, Quadient UK Limited also released a gender pay gap report, in line with UK government regulation. This report transparently outlines the differences in the average and median hourly wages and bonuses between female and male employees across the company.

QUADIENT SUPPORTS DIVERSITY IN THE WORLD OF INFORMATION TECHNOLOGY

In the Czech Republic, Quadient continues its partnership with Czechitas, a non-profit organization that helps women, girls and children to explore the world of information technologies. The organization teaches them to code in various programming languages, tests software, and analyzes complex data. As a regional Partner of Czechitas, every year, Quadient offers mentoring skills on requalification courses for women and offers expertise to support other local workshops throughout the year.

QUADIENT SUPPORTS PEOPLE WITH DISABILITIES

Quadient continues to support people with disabilities, having formed an Empowered Community named DiverseABILITY for this impacted group where employees can discuss together and drive positive change on this topic. This Empowered Community is employee-led and since the end of 2023 sponsored by the Chief Solution Officer of Parcel Locker Solutions. In 2023, the community launched a new safe communication space for its members and hosted an employee townhall about inclusive leadership on occasion of the International Day of Persons with Disabilities in December.

Also, on regional level Quadient is promoting inclusion for people with disabilities. For example, in Switzerland, it has outsourced certain tasks, such as consumable order fulfilment or certain warehousing tasks to the ESPAS Foundation. This foundation works to promote the social and economic integration of people whose health prevents them from playing a full role in the workplace. Its primary aim is the successful integration of women and men with a physical or mental disability. ESPAS offers commercial and industrial outsourcing opportunities for companies, institutions and other organizations.

In France, Quadient has partnerships with ESAT (assistance and service centers helping disabled people into work) organizations. The Company outsources activities such as providing offices with supplies and manual packaging or administrative and mechanical tasks.

Quadient accounts 160 employees with disabilities as part of the workforce. The Company seeks to facilitate their hiring and integration by offering adapted workstations where necessary.

Give all employees the opportunity and the means for personal development and to contribute to the Company's success

Employees are essential to Quadient's success and are the main driver of its performance. To recruit and retain the best talent in its key business areas, the Company aims to provide employees with an attractive work environment that encourages them to take initiative and work together to fulfil its mission: achieving sustainable growth for Quadient's internal and external stakeholders.

Developing talent and skills is central to Quadient's human resources policy. A particular challenge exists in terms of the transfer and acquisition of key or rare skills, specifically in the digital sector, which is highly competitive and constantly changing.

Initiatives	2023 Results
Recruitment of new staff	As of 31 January 2024, 656 people joined the Company under permanent contract (249 female and 407 male) and 61 under fixed-term contracts (26 female and 35 male).
Retention of staff	- As of 31 January 2024, 94.4% of staff have a permanent contract. - Employees on temporary contracts accounted for 4.3% of the Company's total workforce.
Increase staff commitment	- The pulse survey had a participation rate of 74%. - The staff turnover is 11.3%^(a). - Average employee tenure is 11.0 years (10.0 for women and 11.6 for men). - The absenteeism rate was 1.99% in 2023.
Pay and recognition	Wages and payroll charges represent 451.0 million euros.
Employee training	91.8% of employees attended at least one training course in 2023. This included 34.5% female employees, 65.3% male employees and 0.2% non-declared. 17.9% were managers, 82.1% non-managers. 4,935 employees trained and 36.6 hours of training on average per headcount 23.8 average hours for female and 43.4 for male^(b).
Training budget	1.1 million euros allocated to staff training.
Training hours	173,159 hours of training including local and corporate training program.
Annual appraisal interviews	88.8% of the overall staff had an annual appraisal interview (among 2,799 male; 1,399 female).
Internal promotion	277 employees benefited from internal promotion.

(a) Arithmetic average of the number of employees who left and the number of new hires, divided by the initial number of employees at the start of the period.

(b) Average training hours are calculated based on headcount at the end of the fiscal year 2023.

ATTRACTING TALENTS AND INCREASING EMPLOYEE'S COMMITMENT

The energy and motivation of Quadient's staff is a key link in its value creation chain. The Company measures the commitment of its employees and develops action plans as necessary to strengthen its employer identity and nurture loyalty within the business.

Recruiting future talents

Quadient partners with local schools and universities. For example, Quadient s.r.o. regularly cooperates with universities and local high schools in the Czech Republic, where Quadient staff have taught classes, organized IT events and BarCamps (participatory workshops related to new technologies, where content is proposed by participants); this has occurred mainly at the University of Hradec Králové. Quadient works to attract young people to developer functions as part of its digital activities.

Cheers to peers

Cheers to Peers is Quadient's recognition platform that allows colleagues to collaborate in a more interactive way. It offers the opportunity to thank a peer or congratulate a colleague on a job well done, welcome a team member or celebrate a life event. Employees can give different types of recognition to their colleagues using a Cheers to Peers e-card. Once the e-card is selected, an email is sent to the recipient letting the employee know that they have received an e-card. Employees are invited to log into the Cheers to Peers platform to view the e-card. The recipient's manager will also be notified that their team member received an e-card. The e-card is also posted on Wall of Fame on the Cheers to Peers platform.

In 2023, activation levels continued to increase up to 67% of Company employees activated their account with 6,005 social recognitions being received from the 4,350 social recognitions sent (recognition cards can be sent to individuals or teams).

In addition to the recognition system, in view to develop and enforce it, in May 2023, Quadient started a pilot with the France-Benelux Operations where employee and manager can include a number of gift-points to make the celebration even more meaningful. The recognition program is used to encourage good practices and the implementation of our values. Accumulating points allows access to a catalog of gifts.

Referral program

Quadient's Global Referral Program is an initiative to enlist and reward an employee for being talent scouts leveraging their personal networks for Quadient employment opportunities. Employees can share and refer candidates through the Job hubs, the Company internal mobility module, or by having external candidates identify them as their source on the Career website. In 2023, 115 new employees were hired thanks to referrals. Overall, 300 referrals have been made by 157 employees.

Human capital development

In 2023, Quadient has continued to successfully deploy a global human capital management system across all legal entities launched in 2020. This user-friendly technology tool, which is an important part of Quadient's ways of working and digital transformation, provides a better employee experience, reliable and real-time data for decision-making, and helps managers lead their teams more effectively. The "talent and performance" module was further deployed to foster a continuous performance feedback culture, empowering employees to set and update goals and development actions all year, complete their annual performance review and for managers to review their talents and propose next career moves.

The Learning Hub (Learning module) was extended in 2023 and enables employees and extended learners (dealers and partners) to access internal global training (skills and compliance) and product and business specific training. Due to the integration of an external training platform employees have access to a library of more than 25,000 courses including certification preparation in multiple languages. In

2023, the "Jobs Hub" was launched on the platform. This is where employees find internal job postings, job alerts, and referrals. The second phase of this roll-out is planned for 2024 and will introduce the go-to platform for discovering career development opportunities at Quadient that match employees' skills and interests.

BUILDING EFFECTIVE LEARNING PROGRAMS AND EMPOWERING EMPLOYEES TO GROW IN THEIR CAREER

Developing talent and skills is at the heart of Quadient's human resources policy. The Company aims to provide employees with tools and resources necessary to ensure they play an active role in developing their skills and careers through innovative training content, to support 'at the moment of need' bite size learning (How to guides and videos), to deeper dive E-learning and instructor led learning as well as personalised training paths. In 2023, more than 91% of staff had completed at least one training course.

People development strategy

Quadient's training strategy is built around five pillars:

- access to a global learning platform: providing self-directed learning opportunities for everyone at Quadient including internal Quadient training and an external learning library with content supporting all business areas;
- focus on digital learning: providing a personalized learning experience driven by machine learning, surfacing resources in the flow of work, instantly accessible at the moment of need anywhere and anytime;
- career and role skill paths: aligned to Quadient's job catalogue and skill frameworks supporting career growth, internal mobility and cross skilling;
- leadership development: providing leadership programs and skill paths for all levels of leaders to develop an inclusive leadership culture, support hybrid working and embed continuous performance feedback in the organization;
- language and culture: supporting an inclusive culture with opportunities for language training; access to learning content in Quadient's key languages; training for all employees to understand their role in helping Quadient act in an ethical, inclusive and responsible manner.

Focus on skill-based learning

Quadient is using a skill-based learning catalogue which is fully integrated into the internal Learning Hub. This enables employees to find all internal learning and external resources in one place. Employees enjoy over 25,000 courses, access to market-leading content in multiple languages, a global community of learners, experts and instructors and can create and share interactive content. Employees are able to identify relevant learning associated with the skills they need to empower their career growth. Part of the human capital management, the Learning hub is connected to employees' goals and development plans. When career interests and skills kept updated in their profile, they will receive customized learning suggestions.

Promotion of internal mobility

The diversity of career paths brings a wealth of human and technical experiences. It enables the sharing of ideas, breaks down departmental silos, and nurtures cohesion and creativity by forming teams of professionals with diverse profiles. Quadient encourages employees to grow their career and achieve their full potential. In 2019, the Company launched an internal mobility program. This program allows employees to view all internal vacancies across all departments in the Group and receive personalized job recommendations based on their preferences.

Online language courses

Quadient is committed to creating a culture of inclusion across the organization and offers online language courses to interested employees to facilitate their collaboration with colleagues and customers worldwide. Quadient supports

language learning for business and has created specific key language training paths using the available online learning content.

Quarterly Time to Talk & Learn Events

The "Time to Talk & Learn" initiative takes place quarterly supporting employees with the time to learn and putting the spotlight on development and career. It provides interactive and dynamic sessions that cover hot topics, new skills, and top tips to prioritize learning; sharing resources along the way to inspire learning curiosity. Within this format, leaders and managers are asked to have quarterly performance and development conversations with their team members, updating goals, discussing career development, working to establish a development plan and freeing up time for employees for them to enjoy the learning opportunities offered by Quadient.

5.1.4 ENABLING A CULTURE OF EXCELLENCE AND INTEGRITY

The Quadient ethics and compliance program is an integral part of its daily business operations and practices. To ensure this commitment to compliance and enabling a strong culture of excellence and integrity the Company has developed a program around:

- its code of ethics;
- its compliance policies and practices;
- measures and mechanisms to conduct due diligence on third party companies (commercial distributors, suppliers, vendors, service providers, agents, intermediaries and joint-venture partners);

- an ethics line to report any violation or misconduct; and
- a worldwide compliance team responsible for their implementation.

Quadient expects each of its employees to act with honesty and integrity, and to comply with applicable laws, rules and regulations governing all aspects of the business including research, development, manufacturing, marketing, sales and distribution of products and associated services and solutions. Beyond the regulatory obligations, Quadient has defined the ethical standards it wishes to encourage among its employees and as part of its dialogue with external stakeholders.

■ AMBITIONS & TARGETS 2021-2023

Ambitions	KPIs	2023 Results	2022 Results	Target Achievement by end of 2023
Promote a culture of integrity and ethical conduct through Quadient's code of ethics and compliance program	% of employees that endorsed the code of ethics	95%	65%	>95%
	% of employees that completed the training on the code of ethics	95%	65%	>95%
	% of employees engaged in compliance and business ethics training program ^(a)	95%	82%	>95%
Protect privacy and integrity of data entrusted to us against internal and external threats	% of employees having completed data privacy training program	93%	70%	>95%
	% of employees having completed information security training program	94%	50%	>95%
Engage with partners and suppliers who observe ethical standards like those of the Company	% of strategic business partners that endorsed the code of conduct for business partners	NC ^(b)	46%	>85%

(a) Training program in 2023 was tied to code of ethics, data privacy, information security, corruption and bribery, competition.

(b) The code of conduct initially intended for production suppliers has been extended to all strategic business partners (suppliers, vendors, JV partners, commercial dealers). In 2023, the code was sent to all production and non production suppliers late in the year, delaying the target set for this year to have it endorsed by 85% minimum of strategic partners. Therefore, this target is delayed to 2024.

Promote a culture of integrity and ethical conduct through Quadient's compliance program

As a signatory of the UN Global Compact, Quadient strives each day to conduct its business with the highest standards of professionalism and integrity. Quadient's senior management is committed to complying with all applicable laws, applying the ethical standards set forth in the Company's code of ethics and corporate policies, enabling a culture of excellence and integrity by raising the awareness of its employees, providing relevant training and communication, and enforce the ethics & compliance program across the organization.

ORGANIZATION AND GOVERNANCE

The compliance organization is led by the vice-president of CSR and compliance who reports directly to the chief people and transformation officer, who is a member of the Company's executive committee.

The compliance team is organized around:

- a center of excellence which establishes the Company-wide policies and standards and dedicated to the supervision of the various risks and controls as well as key cross-functional activities such as training;
- teams dedicated to each business line, regions and other support functions.

The Compliance team works daily to execute a unified ethics and compliance program across Quadient, which includes the following activities: monitoring regulatory changes; identifying compliance risks and areas of opportunity, monitoring and supporting the update of compliance-related policies, managing Quadient's integrated management systems (IMS), implementing processes and controls to improve the Company's business, investigating any compliance issues, and supporting the implementation of any related remedial action plans and as needed, auditing Quadient teams' compliance.

In terms of governance, a risk management and compliance committee has been created. This committee is composed of the Company's Chief Executive Officer, the chief finance officer, the chief people and transformation officer, the vice-president of internal audit and internal control, and the vice-president of CSR and compliance. Quarterly meetings take place in which the vice-president of CSR and compliance reports on the progress of the compliance program, of investigations and remediation plans, of risk assessment and mitigation actions and the audit results on the ethics & compliance program. In conjunction with the vice-president of internal audit and internal control, he also advises the committee on the directions and priorities to set for compliance at Quadient.

Regarding the management of compliance incidents or whistleblowing reports, an ethics & compliance committee, chaired by the vice-president of CSR and compliance and composed of the chief people and transformation officer, the general counsel and the vice-president of internal audit and internal control, meets as often as necessary to check the admissibility of the reports, launch and follow-up required investigations, provide recommendations and follow up on the remedial actions.

Finally, the global risk mapping and performance of the compliance program is presented to the Audit committee of the Board of directors at least once a year.

THE CODE OF ETHICS

Quadient believes that conducting its business in an ethical and responsible manner is essential to its sustainable growth and success. The Company's code of Ethics sets out principles of ethics and business conduct that help each of its employee to act with integrity and ethically as well as best practices and policies that will elevate the Company's reputation. In short, this code of ethics stands as a testament for doing what the Company knows is right. It covers the following topics: Human Rights, employees, business ethics, business relationships, Quadient and third parties' assets, citizenship and responsible engagement. It also includes useful recommendations for how to anchor the code of ethics in Quadient's corporate culture and takes into account Quadient's new "EPIC" (Empowerment, Passion, Inspiration and Community) values.

Quadient asks every employee, regardless of their role, function or entity, to follow the code of ethics when working for or representing Quadient. In this respect, each employee is required to follow the dedicated training and endorse the code of ethics. In 2023, 95% of the employees completed the code training and endorsed it.

The code of ethics is available on the corporate intranet (WeConnect) and is publicly available on the Company's corporate website in the following languages: French, English, Dutch, German, Italian, Spanish and Czech.

QUADIENT'S COMPLIANCE POLICIES AND PRACTICES

Quadient has implemented a GRC platform (Governance, Risk and Compliance) to manage its ERM program (Enterprise Risk Management) while ensuring the compliance to the various standards the Company has subscribed to (e.g. ISO standards, HIPAA, HITRUST) and the regulation. At first, Quadient's compliance team and network use this platform to document the risks identified, their treatment plan and controls implemented to mitigate them.

Then the audit management module enables the team to schedule the internal audits of all the risks and controls to ensure they are still appropriate and effective. This platform is also used to maintain the register of data processing, vendor and sub processor due diligence, ensuring compliance to data privacy laws and regulations. Based upon the assessment of Quadient compliance risks, policies, procedures and practices have been implemented to control these risks and thus avoid misconducts or compliance violations. The main ones are described below.

SOLID COMPLIANCE TRAINING PROGRAM

Further enhancing its commitment to ethical conduct and compliance, Quadient has developed a robust compliance training program that includes mandatory training modules for all employees. These courses are an integral part of the onboarding process for new hires, ensuring they become familiarized with Quadient's code of ethics and the Company's policies and practices from the start.

In 2023, Quadiant rolled out various training campaigns to its entire workforce, which include the code of Ethics, anti-corruption policy, inclusion & diversity policy, information security policy, and data privacy policy with in addition a specific training course on the California Consumer Privacy Act (CCPA) for employees in the United States.

In 2023, 95% of employees participated in the compliance training program, demonstrating Quadiant's commitment to maintaining high ethical standards across the board. Detailed completion rates for each training course are provided in the respective sections of this document.

HUMAN RIGHTS

In March 2021, Quadiant joined the UN Global Compact, reinforcing its commitment to uphold and promote human rights within its sphere of influence. Quadiant runs its business in accordance with the fundamental principles outlined in the United Nations Universal Declaration of Human Rights and conventions of the International Labour Organization. The Company strongly condemns the following: modern slavery and the trafficking of human beings; all forms of illegal, forced or compulsory labor, in particular child labor; the discrimination in respect of employment and occupation; the restriction of freedom of association and the right to collective bargaining.

To ensure that these principles are upheld, Quadiant has incorporated them into its code of ethics, its stance on labor relations, hiring practices, and its relationships with partners, suppliers, and customers. Additionally, Quadiant has issued a Modern Slavery and Human Trafficking Statement, further emphasizing its dedication to combating these issues.

The Company ensures compliance with its code of ethics through its procedures and internal control systems, including regular operational reviews, risk management, and internal audits.

Specifically concerning its value chain, Quadiant has implemented a code of conduct for business partners, which outlines the company's expectations in these areas. This is complemented by a due diligence and evaluation process designed to monitor and reduce the risk of slavery and human trafficking within supply chain.

Quadiant has also revised and supplemented its compliance clauses to incorporate within the agreements and contracts templates used in its business relationships. Among these clauses, the Company has implemented a clause requiring strict compliance with applicable laws, regulations, rules and orders including United Nations, World Trade Organization, and other international organizations resolutions with respect to business conditions, trade, competition, business ethics and Human rights.

PREVENTION OF AND FIGHT AGAINST FRAUD AND CORRUPTION

In accordance with its code of ethics, Quadiant complies with the anti-corruption laws of the countries in which it operates and has a zero-tolerance policy for corrupt practices, including in particular giving or accepting bribes, either by an employee or a third party acting on behalf of the Company. Quadiant rejects all forms of corruption and prohibits demanding, accepting, offering or giving bribes, gifts or other benefits, either directly or indirectly.

To prevent the risk of fraud and corruption, Quadiant has implemented a compliance program consisting in the assessment of the situations or processes that could lead to fraud and/or corruption. An anti-corruption policy, available on the Intranet (WeShare) and disclosed publicly on its Corporate website has been developed. It summarizes Quadiant's commitment, principles and measures to preventing its employees from the key risk situations such as improper and facilitation payments, gifts and hospitality, conflict of interest, charitable contributions and engaging with third parties. A training course, available in 7 languages, was successfully completed by 95% of the employees this year. The anti-corruption program also comprises several operational and accounting controls. As an example, a conflict-of-interest procedure requests each year all the managers and the most exposed personnel to sign an annual disclosure form on the conflicts of interests. Quadiant is also deploying an auditing and internal control tool allowing the team to identify, among all financial transactions, any anomalies to be investigated.

In 2023, no case of corruption and influence peddling has been reported, but six cases of fraud have been declared and substantiated. Four of them are external frauds related to usurpation of identity or fraudulent invoices and the two others are wrongdoings from employees. All these cases have been investigated and closed except for one of them than occurred in the United Kingdom for which the investigation still ongoing. No fine nor public legal cases regarding fraud or corruption brought against the organization or its employees during the reporting period.

ANTITRUST LAWS AND FAIR COMPETITION

Quadiant does not tolerate anticompetitive practices, including price fixing, the rigging of tenders and responses to tenders, or sharing customers, markets or territories. Accordingly, Quadiant forbids its employees from entering into any agreement with competitors intended to restrict the nature or quantity of products and services offered, as well as any agreement with suppliers or other partners to obstruct fair competition or the exchange of information with competitors regarding corporate strategy on products or pricing.

SANCTIONS, ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

Quadiant conducts business with zero tolerance for commercial, financial, or other dealings involving sanctioned countries, territories, and third parties. To prevent the Company from any risks related to economic sanctions or money laundering (AML), the Company has implemented appropriate risk-based mechanisms for screening business partners, third parties, and transactions for potential economic sanctions and AML exposure.

WHISTLEBLOWING PROCEDURES

Any Quadient employee or any person or third party who knows or suspects a violation of the code of ethics or Quadient rules and policies is encouraged to speak up, in compliance with the law and the rules applicable in the country where he/she resides or exercises his/her activities.

Different escalation channels are available to raise concerns. Regarding mechanisms for advice and concerns about ethics, employees are encouraged to report through the management line first. However, if an employee considers that informing their direct line manager could cause difficulties (for example, if the direct line manager was involved in the alleged misconduct) or that the alert notified may not be properly followed-up, they may directly contact the Quadient ethics line. Employees or any person or third party seeking for advice may use the dedicated email address (ethics_compliance@quadient.com) or contact directly the vice-president of CSR & compliance who oversees the mechanisms for advice and concerns and Quadient ethics line.

Quadient ethics line is a comprehensive and confidential reporting tool, hosted and operated by a third-party provider, which assists employees to report anonymously or not, any concerns related to ethics & compliance (e.g. fraud, abuse, and other misconduct in the workplace), via a form online (website) or a hotline, available 24 hours a day, 365 days a year in all the countries where the Company operates. This dedicated website is available in the same languages as the code of ethics (eight languages): English, French, Czech, Spanish, Japanese, German, Dutch and Italian. Regarding the hotline, there is a dedicated phone number per country enabling anyone to speak up in its native language. The reporting categories are the following: antitrust, fair competition and business compliance, asset/information misuse and access, corruption and influence peddling, discrimination or harassment or unfair treatment, financial issues, fraud, health, safety & environment, Human Rights.

This ethics line accessible through the corporate intranet and Quadient's corporate website is available for Quadient's employees and to any third parties (e.g., customers, suppliers, partners). Beyond the reporting of ethical and compliance concerns, this platform enables anyone to ask confidentially any questions related to the code of ethics and other corporate policies and standards.

After completing the report, the employee (or third party) will be assigned a unique code called a "report key". The reports and questions are confidential. The information provided to the third-party provider representative by phone or via their website is then sent to the members of the ethics and compliance committee.

Quadient strictly forbids retaliation against employees for submitting an ethics concern to the Company. Complaints made in good faith will not expose the whistleblower to any sanctions, regardless of whether the underlying facts prove to be correct or result in any corrective action.

INVESTIGATION AND REMEDIATION

Quadient takes seriously its responsibility to investigate potential violations or instances of misconduct. Quadient has developed an investigation policy and a disciplinary actions' policy to ensure that these investigations are conducted in a consistent and professional manner, and that disciplinary actions are considered in full objectivity, fairly and independence.

All suspected violations are analyzed by the ethics & compliance committee composed of the chief people officer, general counsel, vice-president of internal audit and vice-president of CSR & compliance. This committee decides whether further investigation must be conducted and follow the progress of the investigation and the remedial plan until its completion.

In 2023, 22 concerns were reported, all of them have been investigated. 14 of them have been closed and eight have still remedial actions in progress.

Protect privacy and integrity of data entrusted to Quadient against internal and external threats

In an increasingly connected world, with ever-increasing amounts of electronic mail and parcel volumes increasing in line with the growth of e-commerce, Quadient has made a firm shift to digital. In addition to smart machines to process traditional mail, the Company's offering now includes solutions and software either dedicated to digital communications management or aimed at facilitating parcel processing.

Quadient handles a lot of sensitive information every day and protecting such information has always been of very high concern for the Company, including the protection of postal transactions, customer's data, and the Company's data. Aware of the consequences of a security failure in its operations, the Company is committed to safeguarding the confidentiality, integrity and availability of all physical and electronic information assets to ensure that regulatory, operational and contractual requirements are fulfilled.

Initiatives	2023 Results
Establishment of a global quarterly Information Security Board	• Analysis of security incidents, security performance and the progress of security-related projects and indicators during quarterly security reviews. • Digital Standards deployment supported by compliance and audit processes.
Global Security Incident Management Process improving reporting, aligned to DPO requirements	• Extension of the detection capability with addition of new sources and centralization to a 24/7 externally provided System and Organization Controls (SOC) service . 95% of corporate assets are now covered by SOC. • Renewed cyber insurance contract. • Improving qualification time for data breaches to ensure responding to the legal requirement (within 72 hours).
ISO 27001 certification program	• 12 entities are ISO 27001 certified (covering 24.5% of staff), Inspire cloud-based solution have ISO 27017 and ISO 27018 certification (cloud) and meet the OpenSAMM security standards. • Quadient UK and YayPay are certified to ISO 27701.
Program of internal and external audits in 2022 on the Company's systems and applications	• 37 security audits performed in 2023 (internal and external). This covers all the internal audits on ISMS and ISO 27001 certification audits and also all product security certifications (SC02, HITRUST, HIPAA, etc). • Conducting Self-assessment Privacy Audit.
Personal data protection program complying with the data regulation	• Ensuring compliance with CCPA^(a) in North America. • Completing implementation of GDPR^(b) requirements for international transfers of data outside the European Economic Area. • Improving KPIs for Data Subject Access requests and Data breaches. • Improve implementation of privacy by design and privacy by default policy for ICA solution. • Improving visibility and support of data protection organization.
Training on information security and data privacy policies	• In 2023, 94% of employees completed the training on information security, and 93% completed the training on data privacy.

(a) California Consumer Privacy Act.
(b) General Data Protection Regulation.

A WORLDWIDE INFORMATION SECURITY OPERATING MODEL

The Company has defined security policies that detail the requirements for correct and secure use of its own data and data entrusted to Quadient by its stakeholders such as staff, customers, suppliers, and other partners. These security policies have been rolled out in all countries in which Quadient operates. They are mandatory and apply to all legal entities, employees, service providers and consultants working on company sites or to anyone with access to company systems.

As part of its transformation, Quadient has implemented a global Information Security operating model. Core to this operating model is a specialist focus, ensuring that the Company has dedicated capabilities where security matters most: in protecting its customers, its employees and personal data that is entrusted to Quadient. The Company's holistic approach means it consistently focuses on areas of the biggest risk with the means to effectively recover from security events should they happen.

Quadient's policies are practicable and designed to drive the right behaviors in its people and partners, complemented by effective global operating standards. The Company certifies to ISO standards to underpin its practices.

The director of information security chairs a corporate information security board to govern corporate information security activities. The security board meets quarterly and includes representation from solutions security teams, the data protection organization, corporate compliance, digital organization and corporate information security. This is the overarching Information Security technical governance authority within Quadient, reporting to the Quadient executive committee. Its role is notably to establish global information security objectives and priorities, perform global information security risk assessments, maintain information security policies, and create global awareness of information security policies and safe working practices.

In 2023, Quadient also implemented a policy on the use of artificial intelligence, (AI) encouraging employees to explore the benefits and innovation possibilities of AI while managing its inherent risks. This policy mandates the exclusive use of AI tools provided by Quadient for professional purposes to prevent the inadvertent disclosure of corporate, personal, or client data and to ensure compliance with ethical guidelines and regulations.

ISO 27001 CERTIFICATION PROGRAM

Quadient is rolling out a certification program based on the ISO 27001 standard, primarily covering sites whose business is the development of software solutions, infrastructures, and their support. In 2023, twelve entities were ISO 27001 certified, and the cloud-based Inspire solution is also ISO 27017 and ISO 27018 certified. Quadient UK and YayPay are also certified to ISO 27701.

COMPLIANCE WITH DATA PRIVACY REGULATIONS

Quadient is committed to processing personal information in accordance with applicable data privacy laws and regulations. Quadient's also remains focused on reinforcing its foundation in data privacy areas to ensure the proper security, handling and disposal of data and personal information. According to its data privacy policy, Quadient collects, uses, and retains personal data when it is necessary to ensure the effective operations of the Company. Moreover, Quadient protects confidential and personal information entrusted by its customers, suppliers, and other business partners as carefully as it protects its own information.

Additionally, a data council was established in 2020, led by the Company's chief people and transformation officer and chief digital officer and comprised of stakeholders across the organization to provide the proper governance, transparency and guidance related to these important issues.

In 2023, a cross-functional data protection team has worked to accomplish the data privacy objectives. Notable achievements include: implementation and maintaining of a single record of processing to inventory and manage all Quadient processing activities; update of critical policies related to information security and data privacy; and extending the implementation of a global data incident management process. In addition, Quadient updated vendor on-boarding process, enriched its repository to collect proofs

for due-diligence while Quadient continues to secure its relationships with its subcontractors by requesting the signature of companies' data protection agreements, according to new EU model clauses. In 2023, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

INFORMATION SECURITY & DATA PRIVACY: A CORE TRAINING AGENDA

To further enhance its commitment to compliance and data protection, Quadient has integrated training modules on information security and data privacy into its mandatory training program for all employees. Throughout 2023, all employees were invited to complete this training to become familiar with Quadient's policies and practices in these critical areas. In 2023, 94% of employees completed the training on information security, and 93% completed the training on data privacy, demonstrating the company's collective commitment to maintaining high standards of information security and data privacy.

Those modules are also a key part of the onboarding process for new hires, integrating them into Quadient's culture of compliance from day one.

Moreover, Quadient has introduced additional training modules tailored to specific employee groups more directly involved with sensitive information, ensuring that these employees receive in-depth knowledge and understanding of relevant practices and regulations.

All these initiatives underscore Quadient's unwavering dedication to protecting sensitive information and ensuring that its operations adhere to the highest standards of data privacy and information security. This commitment is pivotal as Quadient continues to evolve in the digital age, where the protection of data is not just a regulatory requirement but a fundamental component of trust and reliability in business operations.

Engage with partners and suppliers who observe standards similar to those of the Company

Quadient is committed to doing business in a responsible, ethical and sustainable manner. As a signatory of the UN Global Compact, Quadient is committed to promoting the 10 fundamental principles addressing Human Rights, labour standards, environmental protection and anti-corruption.

Quadient requires all its Business partners to comply with applicable laws and regulations, International Labour Organization conventions and extends its CSR and ethical commitments to all its business partners through the deployment of its business partners code of conduct.

Quadient is also committed to choosing its suppliers carefully, fairly and with integrity. They are selected using the established procurement strategy or by invitation to tender based on their ability to meet the Company's requirements in terms of quality, price, service, reliability, technology, safety, the environment, and ethics. The Company also endeavors not to create a situation of mutual dependence in terms of revenue, technology, and know-how.

UPDATED RESPONSIBLE PROCUREMENT STRATEGY

Quadient encourages all third-party companies doing business with the Company to become familiar with all the principles and respect the requirements set out within the code of conduct for business partners and its policies to help align their actions in ways that benefit all.

In addition of the code of conduct established by the purchasing teams and the CSR and compliance team, a responsible procurement policy has been developed specifically to the production suppliers. It supplements other policies such as the policy against modern slavery and human trafficking and such as the conflict minerals policies. The latter requires the electronic components supplier to provide evidence that no conflict minerals are used in the manufacturing of the components delivered to Quadient.

After having revised its code of conduct in 2021 and launch it to its commercial dealers and some regional suppliers (production and non production) during in 2021 and 2022, the Code of Conduct was extended this year to all its production suppliers. The initial goal was to have this code of conduct endorsed by all its strategic partners by end of 2023, but the late launch of the campaigns has impacted the plan and this target has been delayed to 2024. In 2023, the production suppliers are mainly located in Europe (49.4%), in Asia (25.7%) and in the USA (24.9%). Europe represents 45.9% of purchasing spends, Asia 37.4% and the USA 16.7%.

The Company has also defined a new onboarding and due diligence process to ensure the integrity of the third-party companies to engage with. The Company has implemented a new tool to uphold this new vision. This process includes a reputational screening based on sanctions and watch lists, politically exposed persons lists, checks for exposure to global adverse media and questionnaires related to information security, data privacy and corporate social responsibility. The process also incorporates an enhanced level of due diligence to be performed where a prospective third party resides in a designated high-risk jurisdiction, or where other red flags are identified. The due diligence is updated periodically on a risk basis and in case of significant changes in the relationship with a third party.

In 2023, 1,371 third-party companies are monitored based on the initial screening and due diligence reports processed. Quadient ensures that its suppliers comply with its requirements through dialogue, visits, audits, and performance assessments carried out by its teams. Over and above contractual matters and supplier selection audits, since 2017 the industrial partnership and procurement department has launched CSR assessment campaigns for its suppliers. Those who do not fulfil the Company's assessment are asked to provide an action plan.

Initiatives	Main achievements
Updated responsible procurement strategy	• Definition and implementation of updated onboarding and due diligence processes. • Update and start of deployment of the Code of conduct to cover all business partners.
Assessment of suppliers' integrity and CSR performance	• 1,371 third-party companies monitored based on integrity and due diligence reports. • No on-site suppliers CSR audit has been carried out in 2023.
Involvement of suppliers and responses to non-financial rating agencies	• Listed according to the criteria defined by the Company. • The Company was awarded "Platinum" status (79/100) for the second time at the latest assessment conducted by EcoVadis in 2023. Quadient shares its profile with its customers (selection criterion in certain cases) and suppliers.

5.1.5 REDUCING QUADIENT'S ENVIRONMENTAL FOOTPRINT

For several years, Quadient has been committed to protecting and preserving the environment. Given its activities, the Company's main environmental challenges relate to its carbon footprint and the impact of its products and solutions throughout their life cycle.

Quadient's environmental policy, formalized in the Company's code of ethics, focuses on innovation and the eco-design of products, their remanufacturing and the

recycling of waste generated by the industrial sites and products at the end of their life, thus encompassing circular economy principles. Quadient has also defined a low-carbon strategy in line with the 2015 Paris Agreement, thus factoring its stakeholder expectations.

This strategy provides a comprehensive framework for all Quadient entities, guiding them towards significant reductions in energy consumption and carbon emissions.

■ AMBITIONS & TARGETS 2021-2023

Ambitions	KPIs	2023 Results	2022 Results	Target achievement by end of 2023 and 2030
Take action to combat climate change and support global transition to a low carbon economy	% of reduction of CO ₂ emissions related to scopes 1 & 2 compared to 2018 (Energy consumption and company vehicles) ^(a)	58.6%	47.2%	50.4% by 2030
	% of low carbon energy (renewable energy and heating network)	35.9%	26.9%	25% by 2023
	% of reduction of CO ₂ emissions related to scope 3 for targeted categories compared to 2018 ^(b)	9%/€m revenue	29%/€m revenue	40% by €m revenue by 2030
	KPIs	2023 Results	2022 Results	Target achievement by end of 2023
Foster circular economy principles in Quadient's operations and solutions to lower the Company's environmental footprint	% of industrial waste recycled ^(c)	92%	81%	>90%
	% of hardware units remanufactured	63%	72.9%	>50%

- (a) Reduction target of 50.4% between 2018 (baseline year) and 2030 for scopes 1 & 2 based on scenario of 1% growth to 3% growth per year.
- (b) Reduction target of 40% per €m revenue for scope 3 on targeted categories between 2018 and 2030: use of sold product, purchase of goods and services, business trips and employee commuting. CO₂ emissions from the use of digital solutions by customers have been removed from the calculation of emissions in the targeted scope 3 categories for the baseline and years N and N-1 due to the identification of double counting with the scope 3 category "purchase of services".
- (c) The data relate to all companies involved in industrial activities: Quadient Industrie France (Le Lude site), Quadient Technologies UK Limited, Quadient Inc. (Byhalia site).

Take actions to combat climate change and support global transition to a low carbon economy

Recognizing the critical impacts of climate change, Quadient is committed to actively supporting the transition to a low-carbon economy. The Company has set ambitious targets for 2030 in line with the Paris Agreement, publicly pledging to meet these objectives. Further emphasizing its

commitment, Quadient has implemented a comprehensive governance structure to address climate change, and identified key risks, opportunities, and action plans related to climate change, which are detailed below.

Carbon footprint

Our Commitments

Energy and buildings

Reducing the emissions related to energy consumption by reducing building occupancy, switching to high-efficiency buildings.

Transportation

fostering low-carbon transportation means, avoiding business travels whenever possible and offering the option of working remotely.

Company vehicles

Selecting vehicles with lower gCO₂ per km, shifting to low-carbon vehicles, developing remote services.

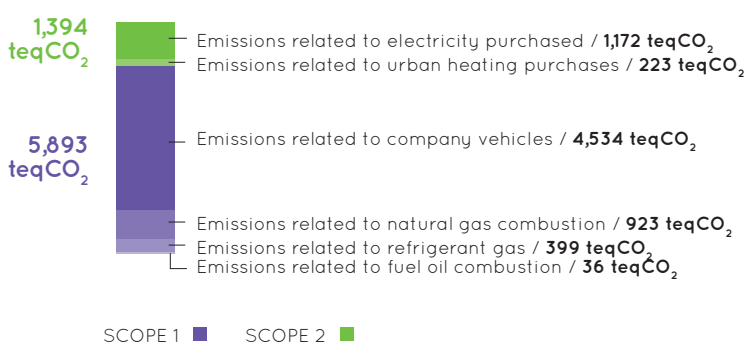
Hardware and Digital Solutions

extending eco-design to all our hardware solutions and encouraging a circular economy.

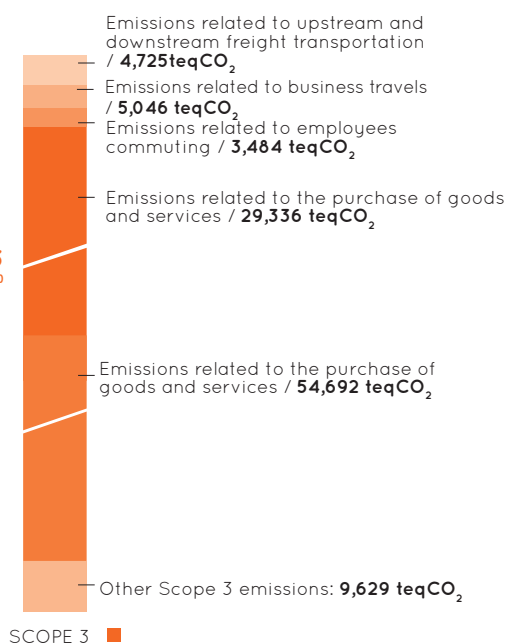
Engaging with partners

minimizing and consolidating shipments, using environmentally friendly modes of transportation

Total carbon footprint Scope 1, 2 and 3 : 88,160 TeqCO₂

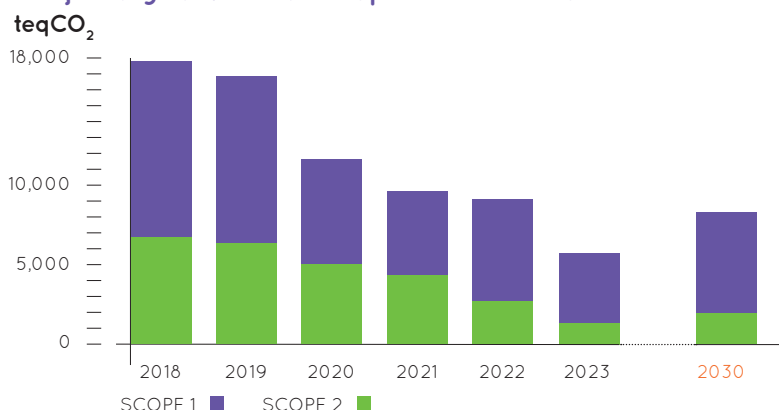


80,873
teqCO₂^(a)



5

Trajectory to 1.5°C for Scope 1 & 2 emissions



Our 2030 objectives

-50.4%
Scope 1 & 2 vs. 2018

-40%/€M
Scope 3⁽¹⁾ vs. 2018

⁽¹⁾ On targeted categories: purchased goods and services, used of sold products, business trips and employee commuting.

(a) Emissions from use of digital solutions by customers have been removed from the calculation of total Scope 3 emissions due to the identification of double counting with the Scope 3 category "purchase of services".

GOVERNANCE

The stewardship of environmental matters, particularly the management of climate-related challenges, is entrusted to the vice president of CSR & compliance. This role is pivotal in driving the commitment to sustainability and encompasses a broad range of duties designed to address the intricate relationship between business operations and the environment. The vice-president of CSR & compliance is tasked with:

- conducting a comprehensive annual assessment to identify risks and opportunities associated with the environmental footprint, particularly focusing on scopes 1, 2, and 3 emissions. This involves a systematic review of how our business activities directly and indirectly impact the climate;
- orchestrating and overseeing the company's strategic response to climate change, including developing and implementing action plans to reduce greenhouse gas emissions and mitigate climate risks ;
- monitoring and steering key performance indicators (KPIs) related to climate action, ensuring they align with our overarching environmental goals and objectives.

The vice-president reports directly to the chief people and transformation officer and collaborates closely with the executive committee, comprising senior C-suite executives, to ensure the strategic integration and execution of the environmental strategy.

Reporting to the vice-president CSR & compliance, the integrated management system & compliance teams oversee the implementation of environmental actions worldwide in link with the facilities and solutions teams. To coordinate activities between CSR and compliance teams a quarterly meeting takes place, where information and best practices are shared.

To bolster the governance framework, the Strategy and corporate responsibility committee was established within the Board in September 2018. This committee assists the Board of directors by reviewing and making recommendations on the guidelines, resources, and achievements related to the Company's social and environmental responsibility policy (including climate-related issues). This committee meets quarterly and regularly reviews climate-related topics.

In September 2023, the Board participated in the "Climate Fresk" workshop, an initiative grounded in the latest findings of the intergovernmental panel on climate change (IPCC). Designed as an interactive learning experience, it employs a unique card game to explore the multifaceted causes and effects of climate change. This method fosters a deeper understanding of climate dynamics, equipping participants with critical insights necessary for making informed sustainability decisions.

Aligning long-term incentives with environmental aspirations, a greenhouse gas (GHG) emissions target was introduced into the long-term incentive (LTI) plan since 2021. Focusing on scopes 1 and 2 emissions, this target reflects a concrete commitment to climate action and is detailed in Chapter 2 of this document.

RISKS RELATED TO CLIMATE CHANGE

Quadient has analyzed the potential effects of climate change on its activities. Three risks that could have a medium- or long-term impact have been identified. These risks and the associated mitigation actions are described below. None of the estimated financial impacts of these risks has been considered severe. The mitigation actions also provide opportunities for alternative ways of working, better operating efficiency, and cost savings.

Risk	Description	Mitigation actions
Acute physical: extreme weather events such as cyclones and floods	Because of their geographic location, some Quadient sites and some industrial partners and suppliers are exposed to natural disasters or events such as earthquakes, or to climatic phenomena such as hurricanes, cyclones, typhoons, floods and tidal waves, which will occur increasingly often. The logistics center in the USA (Byhalia) and Quadient offices in Hong Kong appear to be the most exposed. These events are likely to affect the availability of parts and components necessary for the manufacturing of products, damage production facilities, slow the supply chain, temporarily interrupt production and distribution, and potentially threaten the safety of employees.	All the industrial sites are certified ISO 14001 and have implemented an emergency preparedness response plan. In case the facility in Byhalia cannot operate, Quadient would activate its business continuity plan consisting of in: Employees telecommuting/home office and transfer of logistic and customization activities to the French facility executing the same activities for the European market. Supply chain is also evaluated. Natural risks prevention plans/ Business continuity plan and backup plan are set up. Supply chain is also evaluated. Natural risks prevention plans/Business continuity plans and a backup plan are set up. Quadient has established a process to ensure that in case of natural disaster, the production lines can be quickly transferred between industrial partners (equipment duplicate, etc.)

Risk	Description	Mitigation actions
Emerging regulations	Quadient is mindful of the development of such rules, existing or future, the increased severity of which could have a negative impact on its future sales and activities, thus increasing its operational costs and reducing profitability. As a producer of hardware and software solutions, the Company needs to be vigilant with environmental regulations, standards, and voluntary agreements aimed at reducing energy consumption, waste electrical and electronic equipment (WEEE), and the carbon footprint of products.	The Company has implemented various actions to anticipate and comply with environmental regulations and standards. Quadient has defined a responsible design and sustainable manufacturing approach in which energy efficiency requirements are implemented. All products respect the ErP Directive and various models of the IX and IS Series mailing system and are qualified according to the new Energy Star Imaging Equipment V3.1. The Company has carried out life cycle assessments of its main hardware and software products and identified action plans to reduce the energy consumption and carbon footprint related to using the products. Quadient also participates in the work of the AFNUM and closely follows any WEEE and climate change-related regulation change that could impact its activity to organize its processes proactively. For instance, ink cartridges were included in the WEEE directive with transposition in national law in the EU. Quadient, as a producer of cartridges, put in place a take-back program in every EU country where it operates.
Market: Changing customer behavior	Regulatory changes and the common aim of customers, investors, and shareholders to reduce CO ₂ emissions are becoming increasingly important for companies whose product offerings and activities have a minimal environmental impact. Most public or private calls for tender include environmental performance criteria, particularly the carbon footprint of the products or services delivered.	Quadient has implemented a responsible design and sustainable manufacturing approach, conducted life cycle analysis on its main hardware and software solutions and implemented actions to lower the carbon footprint of its solutions. The Company is also running a series of customer satisfaction surveys to assess its strengths and weaknesses and their importance for the customer to determine priority areas for improvement. Since 2020, new survey questions regarding CSR topics have been introduced to understand if Quadient is perceived as a Company that seeks to limit its environmental impact. Quadient also responds to its customers' solicitations and ESG rating agencies' questionnaires and share the results with them when requested.

SETTING CO₂ EMISSION REDUCTION TARGETS ALIGNED WITH A 1.5 °C SCENARIO

In 2020, Quadient set its targets (baseline 2018) to reduce its GHG emissions at a pace that meets the "well below 2 °C" trajectory requirements. Using the ACA (Absolute Contraction Approach) methodology, the Company has committed to two relevant and ambitious long-term targets in accordance with the SBTi methodology. Following the Company's reduction of CO₂ emissions from 2019-2021, Quadient decided in early 2022 to increase its ambition from the "well below 2 °C" trajectory to 1.5 °C.

- In 2020, the Company committed to reducing its absolute CO₂ emissions related to scopes 1 and 2 by 28% by 2030, i.e. an absolute reduction of 5,020 t_{eq} CO₂ compared to 2018, which implies a reduction at constant scope of 6% each year. 2021 showed a significant reduction in the scopes 1 and 2 emissions compared to the baseline (45.9%). In 2022, to keep the benefit of the improvements made and

ensure the CO₂ reduction target tied to scopes 1 and 2 is still challenging, the Company increased its ambition with more aggressive targets in line with a 1.5 °C trajectory instead of 2 °C. Thus, by following this new scenario, the Company committed to reduce its scopes 1 and 2 emissions by 50.4% by 2030 vs. 2018's baseline instead of 28%.

- Quadient also committed to reducing its intensity CO₂ emissions per €m revenue by 40% by 2030 compared to 2018 for targeted scope 3 categories: use of sold products, purchase of goods and services, business trips and employee commuting. This implies an intensity reduction at constant scope of 4% per €m of its CO₂ emissions each year.

Setting these targets enables Quadient to better monitor and prevent CO₂ emissions by focusing on areas where the Company can make the most impact: energy efficiency, renewable energy supply, vehicle fleet optimization, sustainable mobility, eco-design of the solutions.

REDUCING QUADIENT'S CARBON FOOTPRINT

Quadient's GHG Emissions Methodology

Every year Quadient published its greenhouse gas emissions, according to GHG Protocol methodology:

- scope 1 emissions are direct emissions;
- scope 2 emissions are indirect emissions relating to electricity, steam, heat, and cooling purchases; and
- scope 3 emissions are indirect emissions relating to the value chain, both upstream and downstream of the Company's activities.

Emissions associated with electricity and district heating consumption (scope 2 emissions) are quantified according to market-based (using supplier-specific emission factors) and location-based (using grid-average emission factor by country) methods. Quadient has chosen the market-based method to monitor its performance, in particular its low-carbon energy purchasing policy.

This year, the company has updated the emission factors used for calculating its scopes 1 and 2 emissions, adopting the updated DEFRA database emission factors from June 2023 for scope 1 and district heating emissions. For electricity-related emissions, the company referenced the IEA 2022 database. However, for operations in the UK and France, it opted for more region-specific emission factors, sourcing from DEFRA 2023 for the UK and ADEME 2022 for France, to ensure greater accuracy in its environmental reporting.

In 2020, Quadient conducted a life cycle analysis for the main category of its hardware and software solutions and achieved a complete inventory of its scope 3 emissions. The Company has excluded several categories that are not relevant for the calculation of scope 3 emissions such as downstream leased assets, investments, and franchises.

Based on these life cycle analyses, proxies were established to calculate the CO₂ emissions associated with the manufacturing of solutions, their use by customers, and their end-of-life. This approach is based on the volumes placed, the countries of production and distribution, and specific parameters for each product, such as its energy consumption and the weight of a functional unit.

For transport, carrier reports are utilized to calculate emissions related to the upstream and downstream transport of products. For business travel, the main data source used are reports from travel agencies. For employee commuting, the company employs the average method.

In 2023, the Company revised the methodology for calculating emissions related to digital solutions. Previously, the calculation of these emissions was based on a proxy of the amount of CO₂ generated by sending an email. However, this did not take into account the company's efforts to improve its infrastructure and the use of cloud-based services powered by renewable energy for data centers. Additionally, it has come to the Company's attention this fiscal year that these emissions were already accounted into the category of purchase of services through the acquisition of cloud-based/data center services and applications facilitating customer communications based on usage metrics.

Quadient remains committed to transparency and continues to disclose its emissions related to the use of digital solutions by customers this year. However, to avoid double counting,

the company deducts the total emissions linked to the use of digital solutions from the scope 3 baseline of 2018 and the emissions of the current year.

The scope 3 results must be considered as orders of magnitude, the level of uncertainty remaining high.

Baseline calculation

In 2018 (baseline year), the Company's total emissions (scopes 1, 2 and 3) were estimated at approximately 121,013 teq CO₂: 11,105 teq CO₂ for scope 1 emissions (9.2%), 6,516 teq CO₂ for scope 2 (5.4%) and 103,391 teq CO₂ for scope 3 emissions (85.4%).

In 2023, upon discovering double counting in the "use of sold products" category for digital solutions, the baseline for scope 3 emissions was revised for 2018. Consequently, the new baseline stands at 110,980 teq CO₂ for scope 3 emissions and 75,470 teq CO₂ for targeted scope 3 categories, including purchase of goods and services, use of sold products, business trips, and employee commuting.

In 2018, the Company's main scope 3 emissions came from the following categories: purchase of goods and services (around 49%), use of sold products (around 13%) business trips and employee commuting (around 10% and 9% respectively).

GHG emissions in 2023

In 2023, the company's total emissions amounted to 88,160 teq CO₂, including 5,893 teq CO₂ for scope 1 emissions (6.7% of the emissions), 1,394 teq CO₂ for scope 2 market-based emissions (1.6% of the emissions), and 80,873 teq CO₂ for scope 3 emissions (91.7% of the emissions). The breakdown of emissions by category is provided in table 5.18: "Other Non-financial Information".

In 2023, Quadient achieved its scopes 1 and 2 target aligned with a 1.5°C trajectory. The target was to achieve -50% by 2030, and this year the Company achieved -58.6% of reduction in scopes 1 & 2 emissions compared to the 2018 baseline.

From 2022 to 2023, there was an overall reduction of 22% in total scopes 1 and 2 emissions. This included an 8% reduction in emissions from natural gas consumption compared to 2022, influenced by the closure of real estate properties, implementation of energy-saving plans, and increased utilization of renewable energy. Furthermore, a 53% decrease in emissions from electricity consumption was recorded, attributed to the same factors affecting natural gas. Emissions from company vehicles were reduced by 4%, following the policy shift towards hybrid and petrol cars. Additionally, updates to emission factors contributed up to seven percentage points to the 22% reduction in scopes 1 and 2 CO₂ emissions between 2022 and 2023.

The actions undertaken by Quadient to reduce its emissions across all scopes are described below.

Reducing CO₂ emissions related to scopes 1 and 2

Quadient strives to reduce its GHG emissions tied to scopes 1 and 2. Several initiatives have been taken to reduce total energy consumption and improve energy efficiency, such as replacing equipment with more efficient equipment, replacing bulb lights with LED lights, renovating buildings, and virtualizing servers. Air-conditioning systems are replaced with refrigerant gas with lower global warming potential wherever possible.

In addition, the Company has implemented several initiatives to reduce its office footprint, optimize its car fleet and switch to renewable energy, described hereafter.

• Optimization of the car fleet

Numerous legal entities have taken significant steps to decarbonize their vehicle fleets and align with upcoming restrictions on diesel vehicles in low-emission zones. These efforts have primarily focused on transitioning from diesel to petrol and hybrid models, choosing vehicles with lower CO₂ emissions per kilometer, and enhancing online support and remote service capabilities.

The share of hybrid and electric vehicles has increased sharply between 2019 and 2023, from less than 2% in 2019 to more than 19% in 2023.

Several entities are also raising awareness about eco-driving to mitigate the environmental impact of company vehicles. In this vein, Quadient France has organized the 10th edition of the "Responsible and Sustainable Drivers Challenge" in 2023. This initiative aims at promoting eco-driving and raising awareness among drivers of company vehicles about the importance of adopting more sustainable driving habits. The challenge, which ran from July to November 2023, focused on encouraging safer driving practices to prevent road risks and reduce CO₂ emissions. Participants were evaluated based on criteria that included participation in e-learning modules on prevention and eco-driving, completion of monthly quizzes related to road safety and eco-driving principles, and monitoring of traffic violations and fuel consumption anomalies. The challenge also featured rewards to incentivize participation and highlight the importance of eco-friendly driving.

In pursuit of operational efficiency and a reduced environmental footprint, Quadient has embarked on a series of measures designed to minimize physical travel and reduce technician drive time. These measures are illustrated by several initiatives that reflect the company's commitment to leveraging technology and process improvements to achieve its goals. For instance, in the UK, Quadient UK Limited has enhanced planning efficiency by adopting dynamic call scheduling software for field service engineers. This tool optimizes travel time and reduces fuel consumption by minimizing the amount of time engineers spend driving. Complementing this, the Loughton facility offers remote worldwide demonstrations of high-end document systems from a specially equipped video studio, showcasing Quadient's capability to connect globally without the need for physical presence. Similarly, in the US, the service team at Quadient, Inc. has integrated the SWAP Depot Repair process for all low-end Mailing Systems, eliminating the need for onsite service calls and further contributing to the reduction of travel requirements.

Between 2022 and 2023, total fuel consumption decreased by 3%, and CO₂ emissions from company vehicles decreased by 9%.

• Reduction of real estate footprint

Over recent years, Quadient has significantly shifted towards a teleworking model, establishing itself as a predominantly "remote" workplace with 80% of its workforce operating from home for the majority of their working hours. This shift necessitated a reevaluation of the role of physical offices, recognizing that collaboration and teamwork extend beyond traditional office spaces. In response, Quadient embarked on optimizing its real estate portfolio, guided by a set of criteria that includes environmental standards, to identify which locations should be retained.

Between mid-2022 and the end of 2023, Quadient undertook a comprehensive consolidation of its physical locations, leading to the closure of several offices globally, including in France, Spain, the Czech Republic, the Nordics, and the United States. This strategic move resulted in a 19% reduction in the total surface area occupied by Quadient compared to the beginning of 2022.

• Reduction of energy consumption

Quadient's journey toward reducing its energy consumption is a comprehensive and continuous effort, incorporating a variety of initiatives across its entities to enhance energy efficiency and minimize the environmental impact.

The industrial sites play a pivotal role due to their substantial contribution to the Group's total energy use. To address this, these sites have undertaken comprehensive energy audits to identify essential measures for improving energy efficiency. Since 2018, the Le Lude site in France and the Loughton site in the UK have adopted a series of significant energy-saving initiatives. These include a widespread transition to LED lighting and roof and building insulation renovations, aiming to lower energy requirements.

Elevating its pursuit of energy efficiency, Le Lude has implemented an Energy workgroup at the end of 2023. The aim of this Group is to develop a robust "energy policy," detailing its commitments to lower energy consumption, and establishing precise goals.

During the autumn and winter of 2022/2023, Quadient also introduced an energy sobriety plan in response to the significant energy challenges faced by Europe and the urgent need to address climate change. The measures implemented were designed to complement ongoing efforts within Quadient to lower energy consumption and CO₂ emissions.

The plan involved several straightforward actions: adjusting office temperatures, reducing heating to 19 °C, and limiting air conditioning usage above 26 °C. It also included turning off individual heating systems, reducing temperatures over weekends, managing lighting more efficiently by turning off lights outside working hours and in unoccupied spaces, and shutting down illuminated signs. Additionally, the plan sought to minimize IT equipment consumption by powering down devices in standby mode, screens, and photocopiers at the end of the day and on weekends, as well as restricting the use of internal communication video screens and promoting sustainable mobility policies.

This energy sobriety plan remains in effect at the Le Lude site, leading to a notable efficiency gain of 7% in gas consumption following a 1°C decrease in building temperature settings.

• Transition to low-carbon energy

To reduce its carbon footprint related to energy consumption, the Company considers switching its energy supply contracts whenever possible or purchasing traceable guarantee of origin certificates. This strategic shift aims to ensure that 25% of its energy is sourced from low-carbon options by 2023. This initiative is a key component of the Company's commitment to significantly reducing its CO₂ emissions, in alignment with the global objectives to limit global warming to 1.5 °C.

In Canada, Quadient Canada has entered into a partnership with Bullfrog Power, a leader in the provision of green energy solutions. This partnership reduces Quadient's carbon footprint through a power purchase agreement. This strategy ensures that an amount of renewable energy equivalent to the total consumption by the Company's facilities across Canada is supplied to the national grid, thus reducing the need for energy production from fossil or nuclear sources. For every kilowatt-hour of energy consumed, a corresponding kilowatt-hour of renewable energy from wind or hydroelectric sources is supplied.

Furthermore, the partnership with Bullfrog Power also encompasses the provision of green natural gas. Biogas comes from methane recovered from landfill waste sites and is deemed not to emit CO₂. In addition to the organization's emissions, Quadient Canada is also considering emissions related to its customers' use of its products. Each postage meter and mailing system model was tested to determine annual power consumption. Based on this calculation, Quadient Canada is committed to injecting the same amount of green electricity into the power grid yearly for the initial lease or rental agreement period.

Several other Quadient entities have opted to purchase renewable electricity in France, Germany, the UK, Ireland, Canada, Sweden, and Switzerland. In Poland, two photovoltaic installations have been set up in the office building's parking lot, serving a dual purpose as both a source of renewable energy and a shelter for parking spaces. These installations, integrated into the on-grid system, are expected to supply 10-20% of the building's electricity needs. The company's headquarters in France are heated using a geothermal heating network.

A notable milestone achieved in 2023 was the transition of the two industrial facilities located in Loughton, United Kingdom, and Le Lude, France, to renewable electricity sources. These sites represent 25% of the total electricity consumption of the Group. As of November 2023, all electricity consumed at these facilities is sourced from renewable providers, under contracts backed by guarantees of origin, ensuring 100% of their electricity use is sustainably sourced.

In 2023, low-carbon energy sources, including renewable energy and heating networks, represented 35.9% of the total energy consumption, a significant increase from 26.9% the previous year. Regarding renewable energy usage—comprising renewable electricity, natural gas in Canada, and geothermal energy for district heating in France—this rate has risen to 25.2%, up from 17.8% last year.

Reducing CO₂ emissions related to scope 3

Scope 3 emissions mainly relate to purchases of goods and services and the use of sold products, which account for 71.7% of Quadient's total scope 3 emissions in 2023. Business travels and employee commuting represent nearly 10.6% of scope 3 in 2023, and are also subject to monitoring and reduction targets.

• Streamline business trips and employee commuting

Quadient is continuing its action plans aimed at promoting teleworking and fostering low carbon transportation and visio-conferences practices.

As business travel emissions experienced a significant increase, doubling between 2022 and 2023, they still remained substantially lower—almost two times less—than the pre-pandemic levels observed in 2019.

This reduction is largely attributed to the strategic expansion of remote work, enabling employees to work from home, and the enforcement of travel limitations.

Moreover, some entities have taken steps to encourage more sustainable modes of transportation among its workforce. A bicycle lease plan has been introduced in Belgium and the Netherlands, encouraging employees to opt for greener commuting alternatives.

• Reduce the impact of the solutions

The Company aims to extend its efforts in terms of eco-design to all its hardware and digital solutions and expand and favor the offer of remanufactured products, encouraging a circular economy.

Quadient also works closely with its logistics partners and vendors to minimize and consolidate shipments, use environmentally friendly modes of transportation, and encourage efficient operations. The preferred method of transportation is sea freight, whereas air freight is only used in exceptional business cases.

The Company has implemented several actions to lower the carbon footprint of its digital solutions. This includes the optimization of architecture and server utilization, migrating on-premise solutions to cloud-based solutions, and deleting clients' data linked to deactivated and unused accounts. Quadient also works with cloud-based service providers that contribute to carbon neutrality by using 100% renewable energy to power their data centers.

The actions relating to the eco-design and remanufacturing of the hardware products are described in the section hereafter.

Initiatives	Main achievements
Reduce consumption and improve energy efficiency	• Use of high-energy-efficiency or BREEAM certified premises: Bagneux, RUEIL-MALMAISON (France), Stratford (UK), Milford (United States); reduction of 19% in the surface area occupied by the Company compared to the beginning of 2022.
Reduction of the energy consumption	• Replacement of obsolete equipment, investment in higher performance and approved equipment (boilers, heat pumps, heat recovery compressors), renovation of buildings (external insulation), installation of presence sensors, LED lighting. • Virtualized operation of IT servers. • Deployment of an energy sufficiency plan
Switch to low carbon energy	• In 2023, low carbon energy (renewable energy and heating network) accounts for 36.9% of the total energy consumption (vs 26.9% in 2022). Renewable energy accounts for 25.9%.
Reduce the impact of employee commuting	• Optimization of the car fleet, training in eco-driving in order to reduce fuel consumption. • Maintenance of equipment installed at customers' premises: development of diagnostic and troubleshooting tools. • Continued development of remote maintenance operations. • Rollout of teleworking within the Company and use of visio-conference tools.
Employee awareness	• Increased awareness of eco-friendly ways of working amongst employees. • Launch of an environment empowered community Act4Earth.
Reduce the impacts of freight transport	• Eco-design of products: reduced product weight and optimized packaging volume in relation to product size. • Operation to bring some Asian production activities back to Europe (Le Lude and Loughton), at the same time reducing the effects of international deliveries. • Optimized planning and procurement systems: checking the fill rate of containers, monitoring transport methods between sea and air freight. • Selection of carriers with eco-friendly logistics (optimized delivery runs, fuel economy).

RAISING EMPLOYEE AWARENESS

In 2023, Quadient continued its commitment to promoting sustainable practices among its workforce, focusing on reducing the global carbon footprint and protecting the environment.

The network of QHSE managers plays a key role in raising employee awareness about eco-friendly actions and best practices, notably during the onboarding process for new hires.

The Act4Earth Empowered Community, launched in 2021 as a network of green ambassadors, played also a significant role in this effort. This year, the initiative continued to grow, introducing new ways to educate employees about sustainability. On World Environment Day, Act4Earth conducted its inaugural townhall. This event provided an opportunity to inform employees about the Group's climate strategy, detail the partnership with the NGO Surfrider Foundation, and outline the contributions of the Act4Earth community.

The third edition of the World Cleanup Day marked another milestone. This event witnessed a high level of employee participation, with 700 employees (meaning 14% of the total workforce) across 31 sites in 15 countries actively participating in litter collection efforts. These efforts resulted in the

collection of over one ton of waste and approximately 10,000 cigarette butts in 3 continents: from Vancouver to Sydney through Boston, Munich, Hradec or Loughton. In France, the collected cigarette butts were processed for energy valorization, thanks to a partnership with a specialized startup.

In addition, Act4Earth held a series of webinars throughout the year, notably on the environmental impact of digital technology and with a special focus on the digital divide, with the testimonial of the NGO 'Emmaus Connect'.

Act4Earth is now part of 'Les Collectifs', a broader network of employee-led environmental groups across various companies.

MEASURING THE PROGRESS

Since 2009, Quadient has completed the CDP Climate change questionnaire, which allows the Company to measure its progress and compare to its peers. CDP is an organization that manages a global information publication system allowing businesses to assess and compare their environmental policies. It evaluates companies' management and performance in terms of climate change and ranks them from D (lowest) to A (highest). In February 2024, Quadient obtained a score of 'B' for the sixth consecutive year, corresponding to Management level and thus positioning Quadient above the average of companies in its industry.

Foster circular economy principles in Quadient's operations and solutions to lower the Company's environmental footprint

Circular economy refers to a set of practices enabling the protection, better use and less waste of natural resources. It is a global initiative that aims to change the paradigm concerning the so-called linear economy.

Quadient is a committed player in the circular economy. The Company has taken into account regulatory constraints by preparing for them ahead of time and transforming them into a competitive advantage. From the product design phase to end-of-life dismantling, Quadient takes all environmental aspects into account.

The Company has defined a Sustainable Design and Responsible Manufacturing policy that aims at improving energy efficiency, the use of hazardous substances, longevity, recyclability, modularity, and the upgradability of products to minimize their impact on the environment throughout their life cycle.

At Quadient, circular economy translates into the following actions.

ECONOMICS OF FUNCTIONALITY

The economics of functionality are the offering or sale of the use of goods or a service rather than the goods itself. The aim is to develop integrated solutions for goods and services with a view to sustainable development. This way, trade is no longer based on the transfer of ownership of goods, which remain the property of the manufacturer throughout its life cycle, but on the consent of users to pay a use-value.

Quadient's business model is in keeping with this rationale. It is based on the provision of mail handling services (rental or leasing) such as envelope inserting and franking rather than the sale of equipment. Services usually include maintenance management and the supply of print cartridges. In this way, the products used to provide these services to customers still belong to Quadient and are recovered at the end of the contract or at the end of their life. There is the opportunity to place these products back on the market once they have been remanufactured.

ECO-DESIGN OF PRODUCTS

Quadient's eco-design policy aims, in particular, to improve energy efficiency, use of hazardous substances, longevity, recyclability, modularity and the upgradability of its products to minimize their impact on the environment throughout their life cycle.

The high level of sustainability and reliability of the parts and components employed enables the Company to adhere to the principles of the circular economy. This virtuous loop promotes the repair, re-use and eventual recycling of materials rather than disposal. To that end, Quadient has incorporated strict eco-design rules into its design and development processes. These allow the Company to identify the product life cycle phases, technologies and components that have the greatest impact on the environment. Furthermore, the efforts made have yielded very encouraging results concerning the environmental gains of new generations of products, demonstrating at the same time significant economic benefits.

Today, all franking machines and folders/inserters ranges benefit from this eco-design approach.

RESPONSIBLE MANUFACTURING

Quadient is committed to manufacturing and assembling its products to the highest industry standards, respecting responsible environmental practices and regulations. Quadient has not been affected by any incidents of non-compliance with environmental laws and regulations.

All the industrial sites are ISO 14001 certified. This means that each site has deployed an environmental management system to identify their most significant environmental impacts. Actions are taken accordingly to eliminate, reduce or limit their effects on the environment. The main efforts cover water and electricity consumption management as well as the reduction and the collection of waste.

The waste generated by the Company comes mainly from manufacturing and logistics operations as well as the products it places on the market. This includes packaging waste, used consumables, spare parts and end-of-life products. As a responsible producer of hardware products, Quadient strives to reduce waste at the source, throughout its manufacturing operations, and ultimately avoid its products ending up in landfill. In 2023, 92% of industrial waste has been recycled, contributing to this responsible consumption and production.

PRODUCTS REMANUFACTURING

Remanufacturing is another substantial element in Quadient's environmental strategy, as part of a more global approach to the circular economy. This is an industrial process in which a product is recovered from the field (e.g. product at the end of a contract, demonstration, exchange) and then inspected, dismantled, cleaned, and upgraded in terms of functionalities (hardware and software). Worn parts are replaced with new parts or parts that have been remanufactured. Once reassembled, the product is tested and packaged. These remanufactured products are therefore equivalent to new products offering the same technical characteristics and reliability. They are then placed back on the market with the same warranty as new product.

In 2020, Quadient carried out life cycle assessments on a range of postage meters and folder inserters. This study, conducted by independent experts, showed that a remanufactured machine results in an environmental gain of up to 50% in terms of greenhouse gases (GHG) generated throughout its life cycle when compared with a new machine.

Over and above environmental impacts and raw material savings, product remanufacturing is part of a virtuous approach that allows Quadient to keep workers in jobs at the Company's production plants and gives the Company greater control over the quality of machine products installed in customers' premises.

Today, all franking machines and folders/inserters ranges benefit from this eco-design approach. In 2021 the Company's approach was extended to additional hardware models and remanufactured products are now offered to the customers in the US and Canada, not used until now to buying products containing recycled parts and components. Furthermore, Quadient has started to implement a refurbishing process for its parcel locker solutions in France and Japan.

In 2023, 63% of MRS products placed on the market are remanufactured products (v.s. 40% in 2020).

TAKE BACK PROGRAMS

Quadient has implemented free-of-charge take-back programs for its customers to collect hardware equipment, such as postage meters or folder/inserters of documents, at the end of leased contracts, enabling its operations of remanufacturing.

These programs are available mainly in the USA and Europe for France, the UK, Germany, Switzerland, Italy, and the Nordics. At the collection stage, depending on the type of equipment and according to the technical criteria and the good functioning of the equipment, they are routed either to one of the logistic hubs (in the USA or Europe) because they are eligible for being reused; or they are declared as WEEE (waste of electric and electronic equipment) and sent to a local recycling partner. Quadient does not transfer any WEEE from one country to another, only used equipment.

Used equipment received by the logistic hub is subject to decustomization operations (removal of all customer data and specific software) and functional tests. Only those passing the tests are eligible for reuse and are sent back to the assembly factories in Europe (France) or Malaysia.

In accordance with the Basel Ban Amendment to the Basel

Convention related to the exportation of e-waste to non-OECD countries and the EU Regulation n° 2021/1840, Quadient does not export e-waste to any OECD or non-OECD countries. Only used equipment eligible for reuse is exported from the USA to France and Malaysia and from France to Malaysia. Quadient partners with two OEM (Original Equipment Manufacturer) vendors in Malaysia who have both obtained a license from the Malaysian Government to operate the dismantlement and reuse of the used equipment sent to them by Quadient. In addition, they are both subject to an annual audit by the Malaysian authorities regarding their waste management and recycling process. Last but not least, OEM partners have an obligation to process and re-export to the USA and France the same quantity of used equipment they received. Therefore, except for the parts and components recycled locally, any used equipment that may not be reusable is sent back to the logistic hub in the USA or Europe to be recycled.

Regarding the WEEE directive n° 2012/19/EU, Quadient has joined local compliance schemes to manage all equipment not eligible for remanufacturing. Quadient has also implemented take-back programs to collect supplies (ink cartridges) delivered to its customers. This program is also free of charge for its customers and provides a pre-paid envelope to return the empty cartridges to logistic hubs in France and the USA.

Initiatives	Main achievements
Eco-design of products	• Eco-design policy rolled-out within project and R&D teams for franking and inserting machine product lines.
Environment management system	• 40% of the Company's entities are ISO 14001 certified, including 100% of its industrial sites.
Remanufacturing of products	• Introduction of global reverse logistics to collect end-of-lease/rental, end-of-life products.
Reuse and recycling waste	• 510.5 tons of non-hazardous industrial waste in 2023 (vs. 576.5 in 2022) • 8.3 tons of hazardous industrial waste in 2023 (vs. 6.5 tons in 2022). • 98.4% of industrial waste valorized of which 92% recovered for material in 2023. • 435.3 tons of WEEE (Electrical and electronic equipment waste) in 2023 (vs. 544.3 in 2022).
Collection of supplies	• Implementation of a franking machine consumables collection process in the United States, Canada, France, United Kingdom, Ireland, Benelux and Germany.

European Green Taxonomy

The Taxonomy Regulation (EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment) is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy by establishing a common classification system within the European Union. The aim is to identify economic activities considered sustainable, with reference to six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;

- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

An activity can contribute to the objectives in one of the following ways:

- Through its intrinsic performance;
- When it directly enables other sustainable activities, it is then qualified as an enabling activity;
- If it supports the transition to a carbon-neutral economy and cannot be replaced by technically and economically feasible low-carbon alternatives, it is then qualified as transitional.

An activity is deemed "eligible" when it is mentioned in the delegated Climate (EU delegated regulation 2021/2139 of 4 June 2021 amended by delegated regulations 2022/1214 2023/2485) and Environment (EU delegated regulation 2023/2486 of 27 June 2023) regulations. It is important to note that this qualification does not provide any indication of the sustainability of said activity. However, an activity is considered sustainable according to the regulation when it is "aligned", meaning it meets all of the following requirements stipulated in these regulations:

- it makes a substantial contribution to one of the six environmental objectives by demonstrating compliance with specified technical screening criteria for substantial contribution;
- it does not cause significant harm to the other five environmental objectives (Do No Significant Harm criteria);
- it complies with minimum safeguards regarding adherence to the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

In accordance with regulatory provisions, this section presents the proportions of the turnover, capital expenditure (CapEx), and operational expenditure (OpEx) deemed "eligible" or "eligible" and "aligned" according to current European regulation. The information also includes contextual elements inherent to technical analyses. For the third year of application of these provisions, non-financial companies must publish:

- the proportion of their taxonomy-eligible and non-eligible activities for the six environmental objectives for the aforementioned three indicators;
- the proportion of their aligned and non-aligned eligible activities for the two climate objectives for the three indicators mentioned;
- comparative the fiscal year 2022 data on climate objectives.

ANALYSIS OF THE GROUP'S ACTIVITIES IN TERMS OF ELIGIBILITY

In 2023, Quadient Group completed and strengthened the eligibility analysis of its activities carried out in 2022, extending it to the four environmental objectives covered by the Taxonomy Regulation.

Turnover

The "turnover" ratio targeted in the Taxonomy Regulation is calculated by:

- denominator: the Group's turnover as established in the consolidated financial statements. As of 31 January 2024, it amounts to 1,062.4 million euros;
- numerator: the turnover associated with taxonomy-eligible activities.

Quadient identified its remanufactured product sales activity, particularly carried out by the Mail-Related Solutions division, as eligible for the "5.1 Repair, refurbishment, and remanufacturing" activity of the circular economy objective.

The turnover eligible for this activity amounts to 146.3 million euros as of 31 January 2024, representing 13.8% of the Group's turnover. Quadient also generates turnover through the rental and leasing of Mail-Related Solutions and Parcel Locker Solutions. This turnover has been identified as eligible for the "5.5 Products as services and other circular service models focused on use and outcomes" activity of the circular economy objective. The turnover eligible for this activity amounts to 239.9 million euros as of 31 January 2024, representing 22.6% of the Group's turnover. Thus, the total eligible turnover for these two activities amounts to 386.2 million euros as of 31 January 2024, representing 36.4% of the Group's turnover.

Capital Expenditure ("CapEx")

The "CapEx" ratio targeted in the Taxonomy Regulation is calculated by:

- denominator: capital expenditures including increases in tangible and intangible assets and rights of use for the year (before revaluation, depreciation, and amortization, and excluding fair value variations) as well as increases related to business combinations. As of 31 January 2024, this amount is 101.2 million euros.
- numerator, capital expenditures:
 - related to assets or processes associated with a taxonomy-eligible economic activity,
 - part of a plan aimed at developing taxonomy-aligned economic activities or enabling eligible economic activities to become aligned (hereinafter referred to as "CapEx plan"),
 - related to the purchase of production from taxonomy-eligible economic activities and individual measures enabling targeted activities to become low-carbon or lead to greenhouse gas reductions, provided these measures are implemented and operational within 18 months.

Quadient has, for its headquarters and subsidiaries, long-term corporate vehicle leasing contracts. The CapEx associated with these contracts are eligible for the "6.5 Transport by motorcycles, passenger cars, and light commercial vehicles" activity of the climate change mitigation objective.

The amount of CapEx eligible for this activity amounts to 3.4 million euros as of 31 January 2024, representing 3.4% of the total CapEx of the Group. The CapEx associated with buildings, eligible for the "7.7 Acquisition and ownership of buildings" activity of the climate change mitigation objective, amounts to 10.1 million euros, representing 10% of the total CapEx of the Group. Additionally, CapEx flows related to assets leased or rented to customers, in connection with the turnover related to these assets eligible for the "5.5 Products as services and other circular service models focused on use and outcomes" activity of the circular economy objective, amount to 44.0 million euros, representing 43.5% of the total CapEx of the Group. Thus, the total eligible CapEx for these activities amounts to 57.6 million euros as of 31 January 2024, representing 56.9% of the Group's CapEx.

Operational Expenditure ("OpEx")

According to the Taxonomy Regulation, the operational expenditures to be considered for the "OpEx" ratio calculation are the direct non-capitalizable costs corresponding to research and development expenses, building renovation costs, rents presented in the income statement, maintenance and repair expenses, and any other direct expenditure related to the routine maintenance of assets. As of 31 January 2024, the denominator amount of the OpEx ratio amounts to 63.2 million euros.

In connection with its remanufacturing activities, Quadient Group has identified research and development expenses eligible for the "5.1 Repair, refurbishment, and remanufacturing" activity of the circular economy objective.

The amount of OpEx eligible for this activity amounts to 4.0 million euros as of 31 January 2024, representing 6.3% of the Group's OpEx. In connection with its asset rental and leasing activities, Quadient Group has also identified research and development expenses eligible for the "5.5 Products as services and other circular service models focused on use and outcomes" activity of the circular economy objective. The amount of OpEx eligible for this activity amounts to 7.6 million euros as of 31 January 2024, representing 12% of the Group's OpEx. Thus, the total eligible OpEx for these two activities amounts to 11.7 million euros as of 31 January 2024, representing 18.5% of the Group's OpEx.

ANALYSIS OF THE GROUP'S ACTIVITIES IN TERMS OF ALIGNMENT

The turnover and OpEx realized by the Group concern only activities of the circular economy objective. For this year, there are therefore no amounts of turnover and OpEx aligned. The method described below therefore applies only to activities related to eligible CapEx for the "climate" objectives.

Description of the method retained on alignment criteria and Do No Significant Harm (DNSH)

Analysis of substantial contribution:

- Climate change mitigation - activity 6.5: Quadient has identified the fleet of electric or hybrid vehicles with emissions lower than 50g CO₂/km as substantially contributing to activity 6.5.
- Climate change mitigation - activity 7.7: Quadient has identified buildings constructed before 31 December 2020, with an energy performance certificate of at least class A, or alternatively being part of the top 15% of the national or regional real estate stock most efficient in terms of operational primary energy consumption, as substantially contributing to activity 7.7. The values used to determine the top 15% of the real estate stock come from the "ESG Index" study by Deepki. Specific values for each country were used when available. Otherwise, the European average was used. As of 31 January 2024, no eligible CapEx is related to a building constructed after 31 December 2020. For the concerned large non-residential buildings, it was also verified that they are operated efficiently thanks to a monitoring system and the evaluation of energy performance.

Analysis of "Do No Significant Harm" (DNSH) criteria:

- Adaptation to climate change: Quadient has conducted a study of climate change-related risks to the Group's activities, taking into account the direct impacts of climate change and its potential impacts on the value chain. Additionally, scenario analyses of physical climate change-related risks were carried out for each building compliant with substantial contribution criteria. Three IPCC scenarios were used: the ambitious scenario (RCP2.6 or

SSP1-2.6), the intermediate scenario (RCP4.5 or SSP2-4.5), and the Business-as-Usual scenario (RCP8.5 or SSP5-8.5). The choice of these scenarios was driven by a desire for exhaustiveness in capturing the range of possible trajectories and a need to harmonize the information available for processing various climate indicators.

Adaptation solutions have been implemented within the Group. The analysis of climate change-related risks to the Group's activities has led to the formalization of business continuity plans, emergency response plans, physical risk prevention plans, and actions to increase the resilience of the value chain. At the local level, adaptation solutions are also in place within the various Group buildings to increase site resilience and secure activities in place. For example, as part of the BREEAM certification renewal for the headquarters of the Group, the property management company conducted a flood risk assessment. The recommended measures from this study have been implemented to enhance the building's resilience to flooding. Notably, permeable surfaces are maintained to reduce runoff, and safety lift pumps and alert systems have been installed to manage excess water effectively.

- Transition to a circular economy: This DNSH is applicable to activity 6.5 of the "climate change mitigation" objective and focuses on the reuse, recyclability, and recovery of vehicles as well as on waste management procedures implemented for the vehicle fleet. All European vehicles of the Group meet the minimum percentages of reuse or recycling (85%) and reuse or recovery (95%) required by the taxonomy. Moreover, the Group has also ensured the existence of measures to manage waste during the use phase (maintenance) and at the end of the life of the fleet.
- Pollution prevention and control: This DNSH is applicable to activity 6.5 of the "climate change mitigation" objective and focuses on vehicle emissions, as well as on compliance with requirements for external rolling noise and rolling resistance coefficient. All European vehicles of the Group meet these requirements.

ANALYSIS OF MINIMUM SAFEGUARDS:

As defined in article 3 of the taxonomy regulation, an activity can only be qualified as environmentally sustainable if it is carried out in compliance with specific detailed minimum safeguards in the regulation. The assessment of compliance with minimum safeguards was performed at the Group level.

Human rights: Quadient is aligned and respects the United Nations principles relating to business and human rights, the OECD guidelines for multinational enterprises, and the principles and rights set out in the International Labour Organization's declaration. This commitment was materialized by signing the United Nations Global Compact in 2021. Moreover, the Group has implemented a Code of Ethics and human rights policies presented in section 5.1.4 Promoting a culture of excellence and integrity of the universal registration document. Due diligence procedures and a responsible purchasing policy considering human rights are also presented in this paragraph and in the Code of Conduct for Business Partners.

Fair competition: As a signatory of the United Nations Global Compact, Quadient has committed to banning any form of anti-competitive practices. The Group has also formalized its actions within its Fair Competition Policy and integrated the company's principles in terms of business ethics into its Code of Ethics. Employees are also made aware of the subject through compliance and business ethics training (see section 5.1.4 Promoting a culture of excellence and integrity of the universal registration document).

Corruption : By complying with the Sapin II law (see sections 4.1.3 "Internal control and internal audit devices" and 5.1.4 "Promoting a culture of excellence and integrity" of the universal registration document), the Group meets the minimum safeguards regarding corruption. This is complemented by raising awareness among all employees on the broader subject of ethics through training (see section 5.1.4 "Promoting a culture of excellence and integrity" of the universal registration document) as well as by the Group's Anti-corruption Policy. Moreover, risks related to corruption are identified through the Group's risk mapping, and an internal whistleblowing mechanism is in place (see sections 4.1.2 "Description of risk factors" and 5.1.4 "Promoting a culture of excellence and integrity" of the universal registration document).

Taxation: The procedures that the Group implements to comply with minimum safeguards regarding taxation include, among others, a policy to combat the facilitation of tax evasion aimed at ensuring compliance with laws and regulations applicable in the countries where Quadient

operates. Moreover, risks related to taxation are identified through the Group's risk mapping (see section 4.1.2 "Description of risk factors" of the universal registration document) and the company's business ethics principles, incorporating the notion of taxation, are presented within its Code of Ethics.

RESULTS

As of 31 January 2024, the eligible CapEx meeting all the criteria above represent a total amount of:

- 0.1 million euros for activity 7.7 of the "climate change mitigation" objective, representing 0.05% of the eligible CapEx for this activity.
- Thus, the total aligned CapEx for these two activities amounts to 0.1 million euros as of 31 January 2024, representing 0.05% of the Group's CapEx.

The regulatory tables are presented in the annex of this chapter.

5.1.6 BUILD THE BEST CUSTOMER EXPERIENCE BY OFFERING INNOVATIVE, RELIABLE AND SUSTAINABLE SOLUTIONS

Quadient is part of a sector that is facing many challenges such as a decline of the mail market, digitalization, and management of the last-mile parcel delivery as e-commerce surges. In light of these trends, the Company is committed to building the best customer experience by offering reliable and secure solutions and creating value for customers with sustainable and innovative solutions.

Quadient's main efforts in terms of its customers and partners include customer satisfaction and innovation, as well as reliability, availability, solutions, services and safety of those solutions and services. These challenges are addressed from the design of solutions and services offers and are reflected in ambitious objectives, which are monitored regularly.

■ AMBITIONS & TARGETS 2021-2023

Ambitions	KPIs	2023 Results	2022 Results	Target Achievement by end of 2023
Deliver high quality, reliable and secure solutions	Overall customer satisfaction	94%	95%	>95%
Leverage technology to consistently innovate and improve Quadient's portfolio of solutions	% of revenue invested in R&D	5.9%	5.3%	>4.5% of annual revenue

Leverage technology to consistently innovate and improve Quadient's portfolio of solutions

In 2023, the Company devoted 5.9% of its revenue to research and development. Among the leading trends expected to have the largest impact in the coming years are artificial intelligence, virtual and augmented reality, and machine learning technology.

Regular user conferences and workshops enable Quadient to present new technologies and updates to its customers and partners and discuss their needs and expectations. The Company is the owner of its trademarks and has 220 families of patents published. Quadient registered four patents in 2023.

Initiatives	Main achievements
Innovation with and for partners	• Organization of several innovation workshops with partners each year.
Innovation culture disseminated among employees	• Organization of internal workshops and hosting information on the Internet raises employees' awareness of innovation.
Investments in innovation and R&D	• Quadient invested 63.2 million euros in R&D in 2023.
Intellectual property management policy and organization	• Dedicated in-house intellectual property team. • Patent committee. • Policy rolled-out across all R&D sites.
Patent filling	• Portfolio of 220 patent families and four patent filed in 2023

FOSTERING CREATIVITY AND INNOVATION THROUGH HACKATHONS

Quadient supports innovation among its employees, notably through the organization of hackathons. In 2023, a significant highlight was the inaugural hackathon held by Quadient Accounts Payable Automation by Beanworks, where the team showcased ideas and demonstrations. Special recognition was given to the winners for their "Bean Buzz" project, which introduced a feature allowing users to send messages and respond within the Accounts Payable web application. Additionally, the "Chat42" project received the People's Choice Award, offering a command line resource for Accounts Payable employees to answer questions utilizing all software and troubleshooting documentation, further enhanced by AI learning capabilities.

Beyond internal initiatives, Quadient also extends its support to innovation through partnerships, as demonstrated in the 3rd edition Hackathon of the Hradec Králové Region competition, held in October 2023. This event, co-organized by the Faculty of Informatics and Management of the University of Hradec Králové and the Centre for Investment, Development, and Innovation, saw Quadient Technologies Czech s.r.o. among its partners. The hackathon challenged participants to develop applications using open data related to the Hradec Králové Region. The "Hackneme to" team emerged as winners, proposing an application to help students in finding their ideal secondary or college institution.

Those initiatives underscored Quadient's commitment to fostering innovation across various platforms, benefiting both its employees and the broader community.

INNOVATIVE HARD-AND SOFTWARE SOLUTIONS

With a clear focus on organic development, innovation and technology, Quadient continues to recognize the trends of tomorrow and integrating them into its hardware and software solutions. The company develops its products on the basis of advanced technologies in order to be able to serve latest and upcoming developments. Examples include latest product updates from the Parcel Locker Solutions (PLS) and Intelligent Customer Automation (ICA), which are described in the following.

Drop Box Locker

Quadient is committed to design solutions such as the Drop Box Locker to streamline and elevate the returns experience for both consumers and retailers, while maximizing operational efficiency for carriers.

This self-service solution offers a fast, convenient, and environmentally responsible way for shoppers to return packages, helping increase adoption and use of parcel lockers for consolidated package collection and returns.

The Drop Box Locker may be equipped with a built-in printer allowing customers to print and apply shipping and return labels to their packages before placing them directly into the deposit box at the locker terminal. The solution helps carriers maximize efficiency, and highly contributes to reducing the e-commerce environmental footprint by consolidating deliveries, collections and returns.

In 2023 the feature was already available in Parcel Pending by Quadient's open locker network in the UK, France and North America. The Drop Box Locker solution has won the "Innovation of the Year" award in the 2023 Parcel and Postal Technology International Awards.

Leveraging Artificial Intelligence (AI) to enhance customer experience

With its digital Intelligent Customer Automation (ICA) solutions Quadient is at the forefront of leveraging cutting-edge AI technologies to revolutionize Customer Communication Management (CCM) as well as Financial and Document Automation. .

The advent of Generative AI (GenAI) in CCM marks a pivotal moment in the digital landscape, offering unprecedented opportunities for enhancing template creation and conversion, streamlining journey discovery and mapping, and expediting migration from outdated systems. Recognizing the potential of GenAI, especially within regulated enterprises that prioritize the use of private data, the company is committed to enabling the integration of their preferred/ approved AI services within the platforms.

In the realm of Financial Automation, Quadient employs machine learning algorithms to analyse vast datasets, empowering products to identify patterns, predict trends, and optimize decision-making processes. This enables robust risk management, fraud detection, and data-driven financial strategies, reinforcing the reliability and efficiency of the solutions.

Quadient's innovations also extend to streamlining financial processes: the company's AI technologies automate routine tasks such as invoice processing, expense management, and reconciliation, allowing organizations to achieve unprecedented levels of accuracy and efficiency. By harnessing the power of AI, financial professionals are empowered to focus on strategic initiatives, driving overall operational excellence and delivering superior financial outcomes.

In essence, Quadient ICA is committed to pushing the boundaries of possibility in customer communication management and financial automation, leveraging AI to create products that redefine efficiency, personalization, and excellence in customer interactions and financial workflows.

Quadient Hub

The Quadient ICA product vision revolves around establishing a unified intelligent automation and communication platform, with the Quadient Hub serving as the pivotal element in offering a comprehensive suite of existing and future Software as a Service (SaaS) products within a single software framework.

The Quadient Hub's is designed to ensure information interoperability among all ICA solutions, ensuring a sustainable and scalable framework. The emphasis on an API-first approach not only facilitates seamless integration of all solutions, but also opens avenues for external parties to develop on and leverage these services.

Key capabilities of the Quadient Hub include a centralized user management, uniform roles and permissions across all solutions. The incorporation of usage and metering features is critical for implementing new subscription models, providing a transparent and monetizable structure furthermore, the Quadient Hub allows services to be consumed not only by Quadient but also by external solutions, aligning with subscription pricing plans and expanding revenue streams. A standardized data model ensures seamless data interchange between all solutions, both current and future, fostering compatibility and adaptability.

By leveraging these capabilities, the Quadient Hub propels Quadient's vision to become an intelligent automation platform. This evolution is geared towards enhancing customer productivity and achieving favorable business outcomes. Importantly, these advancements are built upon the foundation of the existing ICA SaaS offerings, showcasing a strategic and cohesive approach to product development and market positioning.

E-invoicing

The e-invoicing era has become an integral part of global business operations. Recognizing its significance, the European Commission emphasizes the substantial economic advantages it brings, enhancing competitiveness for businesses. Governments worldwide are increasingly stringent in enforcing e-invoicing, introducing intricate and evolving rules. Adapting to these changes poses challenges, demanding increased time, effort, and adherence to compliance.

In response to this dynamic landscape, Quadient ICA is dedicated to delivering a comprehensive B2B e-invoicing service accessible across our entire suite of financial and document automation products. AI-powered services automate the end-to-end e-invoicing process, encompassing document and data creation or extraction, distribution, and exchange in any format and via any channel, seamlessly connecting with tax administrations.

Quadient's new E-invoicing service represents a paradigm shift in financial automation, ensuring standardized formatting, precise data validation, and seamless ERP (Enterprise Resource Planning) system integration. With features like electronic signatures and robust audit trails, Quadient ICA provides transparency and compliance monitoring capabilities. Its adaptability to diverse regulatory landscapes, particularly within the EU, positions it as a valuable asset for companies engaged in cross-border transactions. The automated submission and secure archiving features enhance operational efficiency, mitigating the risk of non-compliance. Quadient ICA not only meets current e-invoicing mandates but also strategically positions companies to navigate future regulatory requirements seamlessly, fostering operational excellence in financial processes.

FOCUS ON DIGITAL SOLUTION SECURITY

Quadient solutions' security is an absolute priority for the Company and its customers. Beyond the ISO 27001, 27017 and 27018 organizational standards, Quadient digital solutions are also certified to the highest information security and data protection standards.

For instance, the Company has achieved SOC 2 type II reports for all its digital solutions. These are the most comprehensive certification within the Systems and Organization Controls (SOC) protocol. A company that has achieved SOC 2 type II certification has proven its system is designed to keep its clients' sensitive data secure.

Its digital solutions are certified HITRUST (Health Information Trust Alliance Common Security Framework - HITRUST CSF) which is a prescriptive set of controls that meet the requirements of multiple regulations and standards (e.g. ISO 27001, HIPAA, PCI, NIST) and aim to create a comprehensive set of baseline security and privacy controls.

The HIPAA Privacy Rule establishes national standards to protect individuals' medical records and other individually identifiable health information (collectively defined as "protected health information") and applies to health plans, health care clearing-houses, and those health care providers that conduct certain health care transactions electronically.

The Payment Card Industry Data Security Standard (PCI DSS) is a widely accepted set of policies and procedures intended to optimize the security of credit, debit and cash card transactions and protect cardholders against misuse of their personal information.

Moreover, the Company follows the Software Assurance Maturity Model (SAMM) which is an open framework to help organizations formulate and implement a strategy for software security that is tailored to the specific risks the organization is facing. Quadient also decided to adhere to the CSA Security, Trust & Assurance Registry (STAR), the most popular cloud security provider certification program. It is a three-tiered provider assurance program of self-assessment, third-party audit, and continuous monitoring.

FOCUS ON DIGITAL AND HARDWARE ACCESSIBILITY

Quadient aims to create products usable by the widest possible audience, regardless of their ability. The concept of accessible design in Quadient software seeks to ensure both unassisted access and access by assistive technologies.

Quadient uses the benchmarks set by accessibility standards, like for example ADA compliance, Section 508 or EN 301 549. They consist of best practices and principles for making information technologies more accessible for people with disabilities.

While developing its Inspire solution, the Company has implemented fundamental accessibility features. Quadient

aims to have its components presentable to users with disabilities, so they can understand and operate them. Accessibility features are present in Inspire Interactive and Inspire Designer.

Both components support navigating around the user interface using a keyboard and allow the use of a screen reader. The Inspire solution enables the creation of accessible outputs through Inspire Designer. The solution ensures accessible outputs for people with disabilities who use assistive technologies to navigate and read electronic content.

Also in the Parcel Locker Solutions, Quadient is meeting with its smart locker products for parcel delivery the requirements of ADA (Americans with Disabilities Act). Features to this regard are screen height & box layout setting, comfort zone and text to speech integrated in the latest generation of smart lockers installations of the multifamily and carrier retail customers segments. The comfort zone (lower level) for example allows dividing the parcel locker compartments into different areas and to assign well accessible compartments in the lower levels for mobility limited users. Users in wheelchairs or vision impaired users can also use the keypad (including Braille) for input instead of the screen.

Text to speech features include notifications – an option which can be selected by registered users to convert text messages into spoken voice for phone calls to notify when a package has been delivered. Also, respective lockers can talk out loud when a signature is required.

Design cutting-edge sustainable solutions to help customers fulfil their needs while contributing to sustainable development

Quadient continually strives to propose innovative solutions that respect the environment. The Company designs its products to minimize their environmental impact throughout their life cycle.

SUSTAINABLE DESIGN

In 2006, Quadient introduced an eco-design policy to reduce the impact of its products throughout their life cycle. This policy is now an integral part of the corporate strategy. The Company gives careful consideration to energy efficiency, use of hazardous substances, longevity, recyclability, modularity and the upgradability of its products. The high level of sustainability and reliability of parts and components enable the Company to adhere to the principles of a circular economy. This virtuous loop promotes the repair, re-use and eventual recycling of materials rather than their disposal. Today, all new office franking machines and folder/inserters benefit from this eco-design approach.

The Company has also implemented several actions to lower the carbon footprint of its digital solutions. This includes migrating on-premise solutions to cloud-based solutions, deleting clients' data linked to deactivated and unused accounts, and optimizing the architecture and server utilization, for example the migration of R&D applications to cloud solutions. Quadient also works with cloud-based service providers that contribute to carbon neutrality by using 100% renewable energy to power their data centers.

ANSWERING TO THE ISSUES OF THE LAST MILE DELIVERY AND RE-DELIVERY

E-commerce expansion led to a swift uptick in delivery volumes as e-commerce sales steadily rose during the last years. This increase had already placed enormous strain on cities, which struggled with increased pollution and road congestion from delivery trucks. This upward trend will continue, meaning that many urban centers will need to put in place scalable, smart infrastructure to help combat the negative implications of soaring parcel volumes. Parcel lockers answer several infrastructural difficulties modern cities are facing due to higher volumes of e-commerce deliveries, by reducing missed deliveries and reducing the CO₂ emissions related to the re-delivery of parcels.

Parcel lockers are installed around the city at places with high levels of foot traffic, such as train stations, metros, or popular shopping areas. Parcel lockers create a centralized pick-up point where multiple deliveries are made to it by the carrier for collection by recipients. This effectively eliminates delivery drivers from having to make multiple stops, as well as the potential for failed first delivery attempts. It also enables consumers to pick up their parcels on their own terms and reduces the risk of lost or stolen packages.

Deliver high quality, reliable and secure solutions to customers**RELIABILITY OF PRODUCTS**

Quadient ensures the quality, reliability and availability of its products and solutions delivered to customers. All the Company's R&D, manufacturing and logistic sites are ISO 9001 certified. This means that from design to after-sales service, operating procedures are deployed, and rigorous controls are applied to ensure a high level of product performance.

PRODUCT SAFETY FOR USERS

Quadient is taking a precautionary approach in selecting materials that are used in the products and processes, endeavoring to prevent any potential negative impact on the environment and select materials that are safe for their intended use.

Quadient takes great care in assessing the safety of the products it places on the market and complies with all European and international regulations. These requirements are taken into account during product development. Approval and qualification tests are first carried out internally before being confirmed by independent external laboratories. Externally conducted tests make it possible to ensure product safety. Tests mainly cover compliance with UL ("Underwriters Laboratories") requirements, Russian GOST-R regulatory requirements and EC requirements regarding electromagnetic compatibility (directive 2004/108/EC), limiting the voltage used in electrical equipment (directive 2006/95/EC "Low voltage") and the restriction of the use of certain hazardous substances (directive 2011/65/EC "RoHS").

Other external tests make it possible to check compliance with electromagnetic compatibility (EMC) requirements, with US Federal Communications Commission (FCC) requirements and with the Australian c-tick label guaranteeing low exposure to electromagnetic fields. Tests are also conducted on product sound emissions, on drop tests and on compliance with "Energy Star" requirements. "Energy Star" is a label created by the US Environmental Protection Agency (EPA) and recognized by the European Union. It sets out energy consumption criteria to improve the energy efficiency of office equipment. This efficiency depends on electricity consumption of products in use and in sleep mode.

The regulatory guidance regarding electrical and electronic equipment regularly evolves at both European and international levels. Quadient's active participation in the professional organizations of the French Information Technology Industry Union (AFNUM) and the working meetings of the National Authority in France allows the Company to follow these developments and anticipate future changes. Among the regulatory texts with which the Company must comply, particular attention is paid to the RoHS and WEEE EU directives, the French decree on the use of nanomaterials (now applicable) and the REACH regulation.

MEASURING CUSTOMER SATISFACTION

Customer satisfaction is critical at Quadient that has decided to go beyond by creating a dedicated team the 'customer experience office' last year. Since many years, the Company has built a reliable, actionable voice of the customer program that spans all product lines to track customer experiences and adapt its solutions and processes to their expectations.

The new formed customer experience office contributes not only to collect the voice of the customer, but also ensures that the teams are empowered to take action. Hence, the CXO team shares insights from the customer satisfaction surveys across all the organization: R&D, product teams and marketing to allow our internal stakeholders to translate insights into action plans.

These customer surveys are conducted in the Company's main countries *via* an independent market research agency. The objective is to evaluate the experience of its customers throughout their journey by evaluating into depth, each point of contact (solution, support, sales, onboarding...). In total, more than 40 criteria are evaluated on a satisfaction scale, and the impact of each criterion is calculated according to its contribution to overall satisfaction, thus allowing Quadient to identify the most important aspects on which customers express expectations.

For 2023, the overall satisfaction rate of MRS customers is at 97% with a deep dive analysis by key customer segment (low, mid & high) in order to design an action plan with regard to the very specific expectations of these customer profiles.

And for Parcel Pending, ¾ of property managers are satisfied with their smart locker in multifamily residences across the United States, a score comparable to last year.

CXM customers are also very satisfied with a score of 88%: segmenting results between service providers and enterprises has allowed the Company to adapt its solutions to the expectations of these two very distinct targets.

For financial automation, around ¾ customers of the Account Receivables solution and Account Payables solutions express satisfaction towards Quadient.

And 94% of NeoTouch France customers, remain at a very high level of satisfaction, proving that Quadient can deliver superior software experience and support their historical customers into their digital transition.

Thus, in 2023, by considering the importance of each business line in the Company revenue, the overall customer satisfaction rate is at 94%.

To complement these yearly surveys that help to identify priorities of action regarding systemic or process related issues, real-time transactional surveys are conducted immediately all along the year after a customer interaction (e.g., a maintenance intervention, a call center request...) to measure customer satisfaction in real time, dive deep into key transactional processes, and respond quickly to any customer dissatisfaction.

Initiatives	Main achievements
Reliability of hardware solutions	For MRS, in 2023: - The Quality performance was 77%, meaning that 77% of the product lines of MRS business have reached the OBF^(a) targets set for the year. - Concerning the product reliability, performance was 96%, meaning that 96% of the product lines of MRS business have reach the BPY^(b) targets set for the year. For PLS, in 2023: - The Quality performance was 0.26% OBF^(c) on installed adders (columns); - Concerning the product reliability, the performance is 1.16 BBPY^(d).
Availability of ICA digital solutions	- Availability rate of ICA SaaS was 99.95%. - Consolidated bug resolution time : 91.97%
Customer satisfaction	94% of customers were satisfied in 2023. 97% for Mail-Related Solution (MRS)

- (a) The Out Box Failure (OBF) KPI measures the quality performance at the installation. It considers the number of installations that are not satisfactory at the first time, whatever the reason (missing item in the box, connection issue, quality issue, etc.) compared to all the products installed during the reporting period. Each year the Company sets targets depending on the maturity and complexity of the products, the OBF targets range from 0% to 2.2% failed installations at the first attempt.
- (b) The Breakdown Per Year (BPY) KPI measures the product reliability over time. This is the average number of breakdowns that occurred during the reporting period (12 rolling months). As for the OBF, the Company sets annual performance BPY targets also depending on the maturity and complexity of the products. They range from 0.09 to 1.8 breakdowns in 2023.
- (c) For PLS business, the OBF considers all the "adders" (columns of the parcel lockers) which failed during their installation in comparison with all the adders installed during the year.
- (d) Concerning the reliability of the parcel lockers, the quality and customer support team monitor the Breakdown per Box per Year (BBPY). This represents the average number of breakdowns per lockers that cannot be used by a carrier nor a consumer.

5.1.7 ENGAGE AND SUPPORT LOCAL COMMUNITIES

In 2023, Quadient continued to scale its philanthropy program, Quadient Cares, launched in April 2021, as it established philanthropy as a key pillar of its CSR strategy. The third year of this program has been focused on strengthening fundamental components of the program. The impact was positive with a total of 310,520 euros collected for projects of general interest in sectors such as education, health and social assistance, environment and inclusion & diversity since the program start in April 2021. In 2023, 510 online challenges were completed, 800 employees engaged in one do good activity online and a total of 890 active users (17% of all the employees) were involved in the new philanthropy program. In total, 2,059 employees are enrolled on the platform, representing 38% of the employees.

Moreover, more than 700 employees were engaged in the World Clean Up Day and more than 100 persons participated in the Giving Month. These examples of initiatives reflect the many sponsorship and volunteering actions identified in qualitative questionnaires sent to Quadient's different subsidiaries in 2020. Indeed, as part of the program's policy, since mid-2021, all employees are entitled to spend one working day per year to dedicate their time to the program, except for UK and Ireland who benefited from 2 days per year and, thanks to this 7,202 volunteer hours were accumulated since the launch of Quadient Cares in April 2021. Furthermore, in March 2022, the Company launched "Quadient Cares Relief Fund" first to support financially Ukrainian colleagues during the war but also to help colleagues affected by natural disasters.

Philanthropy program

Our Commitments

Encouraging Quadient employees to implement and take part in charity activities, in all the countries the Company operates. Strengthening the dialog with external stakeholders and supporting the communities. Sharing skills, knowledge and know-how by giving time.

3 main causes



**Quality education
and decent work**



**Inclusion and
Diversity**



**Environment: waste and
pollution reduction**

4 types of actions

Volunteering

Quadient offers every employee one volunteer day per year (and even 2 days in the UK and Ireland).

Skills-based sponsorship

Quadient offers opportunities to make a “pro bono” commitment through skills-based volunteering/sponsorship.

Donations

Donations typically take the form of money, but can also be in the form of in-kind contributions, such as: food, clothes, hygiene products.

Emergency fund for employees

Emergency fund providing support to employees when serious illness, social unrest or natural disaster strike.

Our achievements

3 annual events

Inclusion Month:

local volunteering activities through field volunteering and supporting local charities.

World Cleanup Day:

cleaning up sites in countries and solutions to combat waste mismanagement.

Giving Month:

make the EPIC value of ‘Community’ part of the daily lives, supporting projects that are close to all the hearts.

Our partners

**SOS Villages
d’Enfants
(in France)**



**Surfrider
Foundation
Europe**



Key results

€310,520

of financial donations
to Non-Profit
Organizations since 2021

17%

Employees
participated in at least
one charitable activity

7,202

Cumulated hours
volunteered by
Quadient employees
since 2021

■ AMBITIONS & TARGETS 2021 - 2023

Ambitions	KPIs	2023 Results	2022 Results	Target Achievement by end of 2023
Embody the Company's values by supporting communities in the fields of Education and Decent Employment, inclusion and diversity and the environment with the reduction of waste and pollution	Hours spent by employees supporting communities ^(a)	7,202 hours	3,250 hours	>5,000 hours
	Contribution rate of employees engaged and involved in volunteering & sponsorship projects ^(b)	17%	14%	>25% of employees engaged in the program
	Total amount of financial donations to non-profit organizations ^(c)	€310,520	€188,046	>€100,000

(a) Number of volunteered hours cumulated since the introduction of Quadient Cares program in April 2021.

(b) The contribution rate is calculated considering the number of employees engaged in the program or volunteering on their own vs. the active employees that were present during the fiscal year.

(c) Total amount of donations cumulated since the introduction of Quadient Cares program in April 2021.

Embody the Company's values by supporting communities in the fields of education & decent employment, inclusion & diversity and the reduction of waste and pollution

DEPLOYMENT OF A PHILANTHROPIC PROGRAM AT CORPORATE LEVEL

Quadient Cares is the brand of Quadient's philanthropy program with charity events at local or corporate level but also offering to employees skills-based sponsorship, in-kind donations, financial donation, fundraising and on the field volunteering missions. It is also an opportunity to develop a close dialogue with communities and to start measuring the social impact of the Company. In 2023, the international community network (regional leaders and community advocates) continued to raise awareness, to engage more employees worldwide, and to propose new activities with charities at local level in order to achieve the objectives.

A due diligence and onboarding process on the platform were established for charities and more than 100 non-profit organizations were integrated into Quadient Cares.

Regarding corporate partnerships, Quadient continued to support charities in line with the three main causes mentioned above and with reference to the Sustainable Development Goals n° 4, 5, 8, 10 and 12.

SOS Children Villages in France received a new donation of 20,000 euros to support the "Tantie Bagage" project in the Ivory Coast (Aboisso). SOS Children's Villages launched the "Tantie Bagage" programme in 2017, which initially aimed to protect girls carrying heavy loads in the markets. In the meantime, the program has been expanded to protect all child victims of labour exploitation.

More globally, SOS Children Villages in France belongs to the Federation SOS Children Villages International, which operates in 136 countries and territories. The French organization directly supports 23 countries both financially and operationally and supports program providing access to education, health, vocational training, parental capacity strengthening and awareness on children's right.

For the environmental cause, Quadient has renewed its corporate partnership with Surfrider Foundation Europe, an

organization dedicated to the protection and the sustainable development of the ocean, waves and coastlines and its users. A donation of 20,000 euros was made, in order to support "Osparito project" in Europe, designed to raise children's awareness of the impact of marine litter on the ocean. In 2023, Quadient agreed to donate a total amount 60,000 euros to Surfrider Foundation Europe for a 3-years-partnership, with a minimum amount of 20,000 euros donated every year.

QUADIENT CARES EMERGENCY RELIEF FUND

In March 2022, Quadient's community rallied together to raise funds for Ukrainian workforce impacted by the war, leading to the creation of the Quadient Cares Emergency Relief Fund.

In 2023, Quadient donated 40,000 US dollars to an emergency fund "Quadient Cares" to support employees in need, across the organisation. In 2023, 36,078 US dollars have been awarded by Quadient to applicants through 15 individual grants, providing support when serious illness, death, social unrest or natural disaster strike.

QUADIENT CARES CORPORATE EVENTS

In 2023, there were three main corporate events organized thanks to Quadient Cares program, giving the opportunity to employees to engage at different key-periods in the year:

- Inclusion Month, in March 2023;
- World Clean Up Day, in September 2023;
- Giving Month, in November 2023.

INCLUSION MONTH: PRIORITIZING INCLUSION

The purpose of inclusion month was to develop activities around inclusion through the philanthropy program by bringing together employees worldwide, implementing local volunteering activities, especially through field volunteering as well as supporting local charities.

This was done by offering opportunities on the dedicated Quadient Cares online platform and providing four dedicated e-learning modules on topics from gender equity and understanding unconscious bias to leveraging diverse teams, available on Quadient's online Learning hub.

On 1st March 2023, 370 Quadient employees met for the ICA Revenue Summit in Orlando, Florida. The event gave attendees the opportunity to learn and network while dedicating time in the agenda to give back to the community. In the space of one hour, these 370 employees packed a total of 35,000 meals for Rise Against Hunger, a non-profit organization dedicated to ending hunger by empowering communities, nourishing lives, and responding to emergencies. The team split into several different working stations as they packed meals to be sent all over the world to communities in need: filling and sealing packs, labelling boxes, stocking palettes for transportation and much more. These 35,000 meals were sent to schools, hospitals, and refugee camps around the world to combat hunger and nourish lives.

In France, partnering organisation Apprentis d'Auteuil, invited Quadient employees to join 10 young people from an ULIS class (for students with disabilities) to the History Museum in Paris. In another activity also provided by Apprentis d'Auteuil, Quadient employees supported a CV workshop with young people from the St-Philippe establishment in Meudon.

In the UK office in Stratford, colleagues organized an afternoon tea club in cooperation with the charity organization Age UK. A group of 10 elderly people came to the Stratford office for an afternoon of bingo, quizzes, office tours and snacks. 18 Quadient colleagues volunteered to either organize the event, or partner up with the guests for the afternoon to help them take part in the games and keep them company.

In Milan, Italy, a local park cleaning took place in partnership with Gruppo Ambientalisti Arese and Nazaret Onlus. A group of 14 Quadient volunteers partnered with a group of people with disabilities. Together they spent four hours cleaning a park close to the Quadient offices.

Further volunteering events took place in Quadient offices around the globe, for example in Quadient offices in Japan, Singapore and in Poland, where a community volunteering took place for the foundation SLONKO, an organisation who helps women with breast cancer.

WORLD CLEAN-UP DAY 2023: EXPANDING GLOBAL ENGAGEMENT

World Cleanup Day is an international event across 180 countries that encourages organizations and volunteers to take time to clean up their communities. Individuals, governments, corporations and organizations are all encouraged to take part in cleanups and to find solutions to tackle mismanaged waste.

The third edition of the World Cleanup Day, co-organized by the Empowered Community Act4Earth and the philanthropic ambassadors network, took place in September 2023. Since its launch in 2021, the initiative has seen remarkable growth, expanding from approximately forty employees in three sites to over 700 employees this year, engaging in activities across 31 sites and 15 countries, from Canada to Australia. This encompasses the vast majority of hubs where Quadient operates, highlighting the initiative's broad reach and impact.

This year, for the first time, all industrial sites joined the initiative, showcasing an organization-wide commitment to environmental stewardship. Several collection events were organized with the support of Surfrider Foundation Europe and US and local NGO's for multiple sites in Europe and the US. The collective efforts of Quadient employees resulted in the collection of more than one tonne of waste and 10,000 cigarette butts, with the collected butts in France being recycled by a French startup.

A competition was held among the various sites to award the 'Golden Waste' of the year, fostering a sense of camaraderie and friendly competition.

Throughout the week, information on waste reduction and challenges were also shared on company's networks, philanthropy platform and during on-site activities. These activities provided an opportunity for employees to come together, both physically and digitally, to engage in environmental activities and challenges.

By offering activities and challenges throughout September, using the philanthropy platform and on-the-ground efforts, the main goals were to enhance Quadient employees' awareness of environmental issues.

Additionally, some entities organized related workshops during this period. Notably, Quadient France offered French employees a DIY workshop to make their laundry detergent and lip balm, in partnership with Surfrider Foundation Europe.

GIVING MONTH IN NOVEMBER 2023: PUTTING PASSION INTO ACTION AND VOLUNTEERING

The purpose of Giving Month is to make the EPIC value of 'Community' part of the daily lives, supporting projects that are close to all their hearts. Giving Month is an annual company-wide initiative. Employees around the world are offered the opportunity to come together and give their time to volunteer for their charity of choice.

The goals of the Giving Month were:

- to increase in-person and remote volunteering hours *via* the platform, particularly across inclusion and education pillars;
- to raise internal awareness of the overall program, its priority areas and the work started by philanthropy teams in each region; and
- to promote Quadient Cares program externally to heighten awareness.

Quadient employees from the Quadient regions had selected dedicated charities to support covering education, the right to decent work as well as diversity and inclusion.

Some highlights include:

In the United Kingdom & Ireland and Germany, Austria, Switzerland and Italy regions, employees in the Stuttgart office came together to collect warm clothes and backpacks for the homeless. This year the team worked closely with a facility for the homeless, called "Franziskusstube". Here, homeless people get the opportunity to warm up and get breakfast in the morning.

In the UK, employees from Loughton facilities, donated presents for the organisation Little Spark Enfield, that helps children with life limiting illnesses and their families. In the Stratford office the philanthropy advocates had created an online wish list, from which employees could donate presents to the First Steps Children Charity, a charitable organisation that focuses on supporting children with special needs and disabilities in the local community.

On 7 December, 15 employees from Stratford office came together to bring festive joy to the elderly community with Age UK. Age UK is the country's charity dedicated to helping everyone make the most of later life. It provides services and support at a national and local level to inspire, enable and support older people.

Again in Stratford, 16 employees contributed to the soup kitchen and homeless street outreach to support Refuge Network UK.

In Italy, colleagues from the Rho office celebrated Giving Month 2023 by supporting a project of the local nonprofit "Un Sorriso in Più", bringing joy and happiness to residents of nursing homes for the elderly by granting their Christmas wishes. Therefore, the team organized an educational session with the leadership team of the organization and collected and wrapped Christmas gifts on 23 and 28 November.

In the France/Benelux region, a volunteering event was organized with Apprentis d'Auteuil foundation in the city of Meudon to support the students of St-Philippe campus. 40 Quadiant employees volunteered for a day to participate in workshops with the students. The program included diverse and fun activities and workshops such as pastry cooking, horticulture, music, CV writing and sports. Quadiant made a donation of 10,000 euros on occasion of this event. The foundation has been a significant player in child protection for 155 years, working with vulnerable families and children facing difficulties. Its objective is to welcome, educate, train, and integrate young people from all geographical, social, cultural, and religious backgrounds and to support parents in their role as educators.

Further employees located in Quadiant's Bagneux and Rueil offices in Paris, collected necessities for the charity organisation "Aux captifs, la libération" and handed these over personally during a visit of the facilities. Valgiros is a shared flat in the heart of Paris. It brings together former homeless people and volunteers under the same roof. Aim is to enable them to share a fraternal adventure that will help them reintegrate into society.

Employees based in Bagneux and Rueil offices also collected toys in cooperation with the Rejoué association. This organisation gives a second life to toys through the work of men and women who are helped to find stable employment and social inclusion. Collected toys, games and books are tested, and cleaned then sold at low prices or donated to children in need.

In the North America region employees from the Milford office sorted more than 7,000 lbs of food and donated nearly 500 lbs of non-perishable foods as part of the Giving Month activities at the Connecticut Foodshare event. This organisation supports individuals and families distributing nutritious food through local partner programs in an effort to alleviate hunger. On 14 November, a team from Parcel

Pending by Quadiant came together in Irvine, California, to help charity organisation Families Forward to sort and inventory food donations for a Thanksgiving distribution event. Families Forward is a non-profit organisation that tackles homelessness for families. In the Boston office, Quadiant colleagues helped to prepare meals with a non-profit organisation Community Servings, giving back to their local community.

As part of Giving Month activities, Quadiant team members in North America came together to join the Outrun Hunger 5k & 1-mile race charity event, supporting local food pantries in Michigan.

In the Czech Republic, part of the International Operations region, the second edition of #HourOfCode took place in cooperation with Czechitas, a charity that empowers girls to code. While hosting the event, 40 kids came to the Quadiant offices in Hradec Králové and Olomouc and learned coding with computer games. This event was part of the global initiative #HourOfCode, which every year introduces millions of children worldwide to the basics of programming through games and fun. Under the guidance of experienced mentors, the kids mastered fundamental programming techniques such as loops, conditions, variables, and functions. Competitiveness, creativity, and collaboration were also on display.

The children not only took home small gifts, diplomas, and lots of fun, but also valuable experiences that can aid them in their future education and careers. Quadiant donated the amount of 6,000 euros to Czechitas on occasion of this event.

The Czech offices also hosted a pre-Christmas event, helping those who might not have anything under the Christmas tree. For this occasion, employees gathered numerous gifts for children of all age groups and their parents. The gifts were handed over to Diakonie collection points. Diakonie is a charitable church organisation, ensuring donations reach those who need them the most.

PURSUEING SPONSORSHIP AND ON SITE VOLUNTEERING INITIATIVES WORLDWIDE

Next to the three flagship Quadiant Cares events, driven by philanthropy advocates and Empowered Communities, all year long, local initiatives and activities are offered to employees to enable them to engage at their own pace. In addition, offices in several countries maintain charitable collaborations, some of which have existed since the launch of Quadiant Cares.

In France, the "I Walk for Apprentis d'Auteuil" challenge took place in June 2023, with Quadiant finishing 10th out of 29 companies. Over 12 days, 28 teams of 135 employees in France and Belgium walked a total of 16.11 million steps (12734 km), contributing to a global total of 207.7 million steps (all companies involved on the challenge). This effort supported the *Maisons des Familles of Apprentis d'Auteuil*, which is dedicated to improving the well-being of children and families in needs. The challenge fostered team spirit and cohesion, with 89.5% of participants reporting that the challenge helped to foster or strengthen relationships among colleagues. Quadiant also made a donation of 17,200 euros to Apprentis d'Auteuil on the occasion of this event.

In the United States, a Quadient employee, raised over 29,000 US dollars for Make-A-Wish Michigan by riding his bike in the annual Wish A Mile bike ride fundraising event. Quadient supported the employee by paying for 545 mailers which he sent out, leading to many Quadient employee friends and dealer partners supporting and contributing to the total of 33,000 US dollars that was raised. As a part of that event, Quadient supported Make-A-Wish by donating Distribute services and postage for other fundraisers to send another 740 mailers at no cost. Make-A-Wish is a non-profit organization creating life-changing wishes for children with critical illnesses.

In England, Quadient Technologies Limited continued to support the Make-A-Wish UK initiative. Several fundraising activities were organized. Quadient Technologies UK Limited continued to support the charity Little Sparks, fundraising for children and young people with complex medical conditions, or who are deemed as having a short life expectancy. The main aim is to provide access to a range of activities and offer a safe place for children and young people to talk, feel included and express themselves through play and craft activities. They also provide support via bereavement work with children and young people at home and in school, as well running a bereavement group during school holidays.

5.1.8 OTHER NON-FINANCIAL INFORMATION

Quadient has reported the information in the GRI Content Index for the period from 1st February 2023 to 31 January 2024 with references to the GRI Standards. All data are provided in Chapter 8 in Section 8.7.4 / Table of concordance for the Global Reporting Initiative pages 291 - 296 .

GRI Standard Social data		2023	2022 ^(a)	2021
405-1	Headcount by gender^(b)			
405-1	Women	1,634	1,639	1,662
405-1	Men	3,083	3,143	3,260
TOTAL NUMBER OF EMPLOYEES (TEMPORARY/CASUAL EMPLOYEES ARE EXCLUDED)^(c)		4,726	4,782	4,922
2-7	Permanent contracts	4,662	4,737	4,848
405-1	Women in permanent contracts	1,619	1,616	1,626
2-7	Fixed-term contracts	64	45	74
405-1	Women in fixed-term contracts	24	23	36
2-7	Full time equivalent employees	4,637.3	4,697.6	4,844.1
2-7	Part-time equivalent employees	88.7	84.4	77.9
2-7	Temporary/casual employees	211	325	216
2-7	Women among temporary/casual employees	114	202	138
2-8	Workers who are not employees ^(d)	259	368	345
401-1	Recruitments (external) ^(e)	483	694	665
401-1	Departures ^(e)	645	848	783
404-1	Number of employees involved in one or more training courses in the year	4,935	3,812	4,033
404-1	Total number of training hours (local training)	173,159	60,693	36,728
405-1	Women managers	280	262	243
405-1	Men managers	600	616	639
405-1	Disabled employees	163	160	110
403-9	Absenteeism^(f)			
403-9	Related to workplace accidents with time off work	0.05%	0.05%	0.02%
403-9	Related to workplace accidents while commuting	0.01%	0.01%	0.01%
403-10	Related to occupational illnesses	0.02%	0.03%	0.08%
403-10	Related to illness (excluding maternity and paternity leave)	1.93%	2.93%	2.97%
AVERAGE GROUP ABSENTEEISM RATE		1.99%	3.02%	3.07%
403-9	Number of workplace accidents	41	26	39
403-9	Workplace accidents resulting in time off work	19	15	12
403-9	Number of days lost through accidents resulting in time off work	553	541	211

GRI Standard	Social data	2023	2022 ^(a)	2021
403-9	Frequency rate of workplace accidents	2.2	1.6	1.4
403-9	Severity rate of workplace accidents	0.07	0.07	0.02

- (a) The 2022 data were revised due to adjustment of some data.
(b) Workforce present as of 31 January 2024 with an employment contract with an entity of the Company (excluding temporary employees and interns).
(c) Total headcount as of 31 January 2024 without the headcount of the legal entities not included in the scope of the CSR reporting, as described in the methodological note in the section 5.1.9.
(d) According to the GRI-2021, workers who are not employees, include agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors and volunteers.
(e) Hires and departures within the internal mobility are not taken into account.
(f) Absenteeism rate has been calculated in working days.

GRI Standard	Environmental data	2023	2022	2021
303-5	Water (in m3)	16,082	20,770	26,966
302-1	Energy (in MWh)			
302-1	Electricity consumption	6,685	8,409	9,154
302-1	Gas consumption	5,691	6,613	7,782
302-1	Heating network consumption	1,690	2,194 ^(a)	2,062
302-1	Fuel oil consumption	128	81 ^(a)	65
	TOTAL ENERGY CONSUMPTION (IN MWH)	14,194	17,297	19,063
302-3	Energy intensity			
302-3	Energy consumption by revenue (in MWh/€m revenue)	13.4	16.0	18.6
302-3	Energy consumption by employee (in MWh/employee)	3.0	3.6	3.8
305-1 & 305-2	Scopes 1 and 2 emissions (in Tq CO ₂)			
305-1	Emissions related to company vehicles	4,534	4,979	4,753
305-1	Emissions related to natural gas combustion	923.0	842	1,046
305-1	Emissions related to refrigerant gas	399	396	523
305-1	Emissions related to fuel oil combustion	36	19	15
	TOTAL SCOPE 1 (IN Tq CO₂)	5,893	6,400	6,436
305-2	Emissions related to electricity purchased (market-based method)	1,172	2,374	2,730
305-2	Emissions related to urban heating purchases (market-based method)	223	613	555
	TOTAL SCOPE 2 (IN Tq CO₂) (MARKET-BASED METHOD)	1,394	2,987	3,285
305-4	CO ₂ emissions intensity (scopes 1 and 2)			
305-4	CO ₂ emissions by revenue (in Tq CO ₂ /€m revenue)	6.9	8.7	9.5
305-4	CO ₂ emissions by employee (in Tq CO ₂ /employee)	1.5	1.9	1.9
305-3	Scope 3 emissions (in Tq CO ₂)			
305-3	Emissions related to the purchase of goods and services ^(b)	54,692	43,959	43,747
305-3	Purchase of goods (hardware solutions)	40,758	29,834	31,796
305-3	Purchase of services	13,394	14,125	11,951
305-3	Emissions related to capital goods	3,139	3,213	3,239
305-3	Emissions related to fuel-and energy-related activities (not included in scope 1 or scope 2)	1,536	2,825	2,842
305-3	Emissions related to upstream and downstream freight transportation ^(c)	4,725	4,595	3,332
305-3	Emissions related to business travels	5,046	3,482	773
305-3	Emissions related to employees commuting ^(d)	3,484	2,611	6,549
305-3	Emissions related to waste generated in operations	92	130	85
305-3	Emissions related to upstream leased assets	2,663	3,084	3,499
305-3	Emissions related to the use of sold products ^(e)	29,336	27,173	32,802
305-3	Hardware solutions	3,297	3,194	4,571
305-3	Digital solutions	26,039	23,979	15,337
305-3	Emissions related to the end of life of sold products	2,198	1,643	1,706

GRI Standard Environmental data		2023	2022	2021
TOTAL SCOPE 3 (IN TEQ CO₂) ^(f)		80,873	68,816	70,344
306-3	Non-hazardous industrial waste (in tons)	510.5	576.5	515.0
306-4	Non-hazardous waste recovered	507.6	504.8	473.9
306-5	Non-hazardous waste disposed	3.0	71.7	41.1
306-3	Hazardous industrial waste (in tons)	8.3	6.5	4.4
306-4	Hazardous waste recovered	2.9	5.8	3.8
306-5	Hazardous waste disposed	5.4	0.7	0.6
TOTAL INDUSTRIAL WASTE (IN TONS)		518.9	582.9	519.4
306-4	% of industrial waste recovered ^(g)	98.4%	87.6%	92.0%
306-3	Electrical and electronic equipment waste (WEEE) (in tons)	435.3	544.3	537
306-4	% of WEEE recovered ^(h)	99.7%	91.6%	81.0%

- (a) The 2022 data were revised downwards due to the adjustment of certain values. The 2022 data for district heating and fuel oil have been corrected. Previous figures were found to be inaccurate due to reporting discrepancies associated with an entity in Germany. The figures have been updated to reflect accurate values.
- (b) The data related to hardware solutions were extrapolated from the Life Cycle Analysis conducted in 2020. The emissions relative to corporate functioning were calculated by multiplying the spend data for each category of services by the corresponding conversion emission factors as outlined in the Base Carbone[®].
- (c) The data concern upstream and downstream transport managed by the Company. Transportation managed by Quadient entities locally was not taken into account.
- (d) In 2019, a survey was conducted at Company level to evaluate the greenhouse gas emissions generated from employee daily journeys between home and work. In 2021, the emissions were estimated based on the extrapolation of the results of the 2019 survey with the FTE figures by country, the percentage of employees working from home and the percentage of days of remote working. In 2022 and 2023, the average-data method was used, which involves estimating emissions from employee commuting based on national data on commuting patterns.
- (e) The data were extrapolated from the LCA conducted in 2020 on the main hardware and software solutions. The calculation is based on the annual consumption of hardware solutions during its use, multiplied by the number of machines placed on the market during the year in a given country.
For the software solutions, the calculation is based on the emissions generated by sending email and mail, multiplied by the number of mail and email sent during the year. It has come to the company's attention this fiscal year that these emissions were already accounted into the category of purchase of goods and services through the acquisition of cloud-based/ datacenter services and applications facilitating customer communications based on usage metrics. Quadient remains committed to transparency and continues to disclose its emissions related to the use of digital emissions by customers this year. However, to avoid double counting, the company deducts the total CO₂ emissions related to the use of digital solutions from the scope 3 baseline (2018) and the emission of the current year.
- (f) Emissions related to the use of digital solutions by customers have been removed from the calculation of total scope 3 emissions due to the identification of double counting with the scope 3 category "purchase of services".
- (g) The data relate to all companies involved in industrial activities: Quadient Industrie France, Quadient Technologies UK Limited, Quadient Inc. (Byhalia site).
- (h) Material recovery and energy recovery.

5.1.9 NOTES REGARDING METHODOLOGY AND THE CSR REPORTING SCOPE

CSR reporting scope

The reporting period runs from 1st February to 31 January of the fiscal year. The environmental indicators cover the 1st January to 31 December period.

The information presented below concerns the consolidated entities of Quadient as at 31 January 2024 included in the CSR reporting scope. The reporting scope was established pursuant to articles L.233-1 and L.233-3 of the French commercial code. The reporting scope includes all entities under the Company's operational control at 31 January, at the exception to the following entities: Quadient India, Quadient Finance Australia, Quadient CXM Denmark APS, Quadient Rental Italy and Packcity Japan.

Thus, 31 people are excluded, representing 0.7% of the total employees of the Company. The scope of CSR reporting therefore represents 99.3% of the global workforce.

When one of the Company's entities is not able to provide data for one specific indicator, and no estimation can be made, the entity is excluded from the indicator in question and an explanatory note specifies the scope or calculation method used for each indicator.

Changes in the scope of reporting or calculation methodologies do not always make it possible to draw a relevant comparison of data for the 2023 and 2022 financial years. These changes are mentioned and specified for the indicators whenever they have occurred in order to facilitate the correct interpretation of the indicators.

Furthermore, some indicators have not been mentioned in this report since they were deemed not relevant to the activity exercised by Quadient. This information concerns the environment with the indicator relating to land use and biodiversity, food waste and sustainable food.

Reporting process

The reporting process for 2023 was set forth in detail in a CSR reporting protocol for the collection of the necessary quantitative and qualitative information. This protocol was deployed in English in all Quadient entities and is also available on the secured CSR reporting tool. It was used to clarify the definitions and calculation methods for each indicator and to detail the steps of the reporting process, as indicated below:

- planning, collection, consolidation of qualitative and quantitative data and consistency check;

- data verification: in accordance with regulations, Quadient submitted the information contained in this CSR report for audit.

In January 2024, as it has been the case every year since 2015, specific "web meetings" were also proposed to entities that wanted to develop certain aspects of the reporting further. Quantitative data was collected from the entities using dashboards and the qualitative data was collected through online questionnaires accessible on the secured website dedicated to CSR benchmarks in the various countries.

CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED IN THE NON-FINANCIAL PERFORMANCE STATEMENT

Theme	Pages	Cross-reference with the 2023 universal registration document
Overview of the business model	8 to 9	Introductory booklet
Description of the main non-financial risks related to the Group's activity	110 - 118	CSR strategy and policy
Description of policies designed to prevent, identify and mitigate the occurrence of non-financial risks and the outcomes of these policies, including key indicators	118 - 156	With reference to the mapping of CSR risks, cross-referencing with the eleven priority risks: • Human capital development, talent attraction and retention; • Diversity and inclusive workplace; • Community Engagement; • Health & safety and well-being; • Ecodesign and sustainable products and solutions; • Intellectual property rights; • Data privacy and integrity; • Breach of ethical rules; • Sustainable procurement & Human rights; • Circular economy; • Climate change.
Respect for Human Rights	129	Human Rights
Anti-corruption	129	Prevention and fight against fraud and corruption
Climate change (contribution and adaptation)	133 - 146	Reducing Quadient's carbon footprint
Circular economy	142 - 143	Foster circular economy principles in Quadient's operations and solutions to lower the Company's environmental footprint
Food waste, fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food and actions to promote the nation-army bond and support engagement in reserves	158	Given the nature of its activities, the Company considers that these topics do not constitute a significant CSR risk and do not justify a development in this document
Collective agreements and impacts	119	Provide great working conditions where all employees perform at their very best
Fight against discrimination and promotion of diversity	121 - 125	Nurturing a diverse, equitable and inclusive workplace
Actions to promote sports and other physical activity	120	Provide great working conditions where all employees perform at their very best
Societal commitments	151 - 156	Engage and support local communities
Fight against fraud	103	Tax evasion matter is presented in chapter 4 related to Risk Factors and Internal Control

5.2 Independent third party's report on consolidated non-financial statement presented in the management report

Year ended the 31st January, 2024

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC (Accreditation COFRAC Inspection, n° 3-1681, scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereinafter "Entity"), we conducted our work in order to provide a conclusion expressing a limited assurance on the compliance of the consolidated non-financial statement for the year ended 31st January, 2024 31st of January, 2024 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Criteria"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

CONCLUSION

Based on the procedures we have performed as described under the "Nature and scope of procedures" and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Criteria, in all material respects.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Criteria, summarised in the Statement.

LIMITATIONS INHERENT IN THE PREPARATION OF THE INFORMATION

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

It is the responsibility of the Management to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks as well as the outcomes of said policies, including key performance indicators;
- prepare the Statement by applying the Entity's "Criteria" as referred above; and to
- implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been endorsed by the Board of Directors.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation.
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – Déclaration de performance extra-financière, our own procedures (Programme de vérification de la déclaration de performance extra-financière, July 7th 2023) acting as the verification programme and with the international standard ISAE 3000 (revised).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 823-10 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

5

MEANS AND RESOURCES

Our verification work mobilized the skills of six people and took place between November 2023 and April 2024 on a total duration of intervention of about twelve weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted five interviews with the people responsible for preparing the Statement, representing in particular CSR & Compliance, Human Resources, Health and Safety, Environment and Purchasing departments.

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- we obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;
- we assessed the suitability of the Criteria with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225 102 1 III of the French Commercial Code and includes, where applicable, an explanation of the reasons for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

- we verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the main risks;
- we verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the main risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Eco-design, innovative and sustainable solutions, ethics and compliance, responsible procurement, community engagement) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Quadient Technologies UK Limited, Quadient UK / QISL, Quadient Industrie France Le Lude, Quadient Canada;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 14% and 40% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (14% of employees, 40% electrical and electronic equipment waste, 27% energy consumption)
- we assessed the overall consistency of the Statement in relation to our knowledge of all the consolidated entities.

The procedures performed in a basis for our limited assurance conclusion; review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, the 22nd of April 2024

French original signed by:

Independent third party
EY & Associés

Frédéric Papon
Partner, Sustainable Development

APPENDIX: THE MOST IMPORTANT INFORMATION

Social Information

Quantitative Information (including key performance indicators)

Staff turnover rate.
Share of employees on permanent contracts.
Share of women in the Group's headcount.
Share of women managers and senior leaders.
Percentage of employees eligible to remote working two days or more per week.
Number of training hours completed during the year.
Number of employees having completed at least one training course during the year.
Rate of absenteeism due to work-related accidents.

Qualitative Information (actions or results)

Employment (attractiveness, retention).
Increase employee engagement.
Development of human capital.
Work organization (organization, absenteeism).
Health and safety (prevention actions).
Social relations (social dialogue, collective agreements), training.
Equal treatment (equality between men and women, fight against discrimination, integration of disabled people).
Quality of life and well-being at work.
Security of employees' personal data.

Environmental Information

Quantitative Information (including key performance indicators)

Quantity of hazardous and non-hazardous industrial waste produced.
Percentage of industrial waste recycled and recovered.
Quantity of waste electrical and electronic equipment (WEEE) generated.
Energy consumption.
Water consumption.
CO2 emissions (scope 1, 2 and 3).

Qualitative Information (actions or results)

The results of the environmental / energy policy (certifications, means).
Circular economy (raw materials, energy, waste management).
Eco design and product refurbishment.
Climate change (significant emissions due to the activity, reduction targets, adaptation measures).

Societal Information

Quantitative Information (including key performance indicators)

Customer satisfaction rate for ICA, MRS and PLS activities.
Share of revenue invested in R&D.
Percentage of employees that endorsed the Code of Ethics and completed the training.
Share of strategic business partners that endorsed the code of conduct for business partners.
Number of ISO 27001 certified entities.
Hours spent by employees supporting communities.
Contribution rate of employees engaged and involved in volunteering & sponsorship projects.
Total amount of financial donations to Non-Profit organizations.

Qualitative Information (actions or results)

Local impact (employment, development, residents, dialogue, etc.).
Engagement with local communities.
Subcontracting and suppliers (environmental and social issues).
Measures taken in favor of consumer health and safety.
Innovation and design of sustainable products.
Product reliability, safety, and availability.
Customer satisfaction.
Respect for intellectual property rights.

Appendix

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR N

Economic Activities (1)		Substantial Contribution Criteria		DNSH criteria (Does Not Significantly Harm)		Category transitional activity (20)		Category enabling activity (19)				
						Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)		Minimum Safeguards (17)				
						Biodiversity (16)	Pollution (15)	Circular Economy (14)	Water (13)	Climate Change Adaptation (12)	Climate Change Mitigation (11)	
						Biodiversity (10)	Pollution (9)	Circular Economy (8)	Water (7)	Climate Chane Adaptation (6)	Climate Change Mitigation (5)	
						Proportion of Turnover, Year N (4)	Turnover (3) <i>In millions of euros</i>	Code (2)				
A. TAXONOMY-ELIGIBLE ACTIVITIES												
A.1. Environmentally sustainable activities (Taxonomy-aligned)												
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.00	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%	
Of which Enabling	0.00	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	0%	
Of which Transitional	0.00	0.0%									0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)												
Repair, refurbishment and remanufacturing	CE 5.1	146.3	13.8%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	239.9	22.6%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		386.2	36.4%	0%	0%	0%	0%	0%	36.4%	0%	0%	
Turnover of Taxonomy eligible activities (A)		386.2	36.4%	0%	0%	0%	0%	0%	36.4%	0%	0%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES												
Turnover of Taxonomy-non-eligible activities		676.1	63.6%									
TOTAL (A. + B.)		1,062.4	100%									

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR N

Economic Activities (1)		Substantial Contribution Criteria		DNSH criteria (Does Not Significantly Harm)		Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)									
						Category enabling activity (19)									
						Minimum Safeguards (17)									
						Biodiversity (16)									
						Pollution (15)									
						Circular Economy (14)									
						Water (13)									
						Climate Change Adaptation (12)									
						Climate Change Mitigation (11)									
						Biodiversity (10)									
						Pollution (9)									
						Circular Economy (8)									
						Water (7)									
						Climate Change Adaptation (6)									
						Climate Change Mitigation (5)									
						Proportion of CapEx, Year N (4)									
						CapEx (3) <i>In millions of euros</i>									
						Code (2)									
A. TAXONOMY-ELIGIBLE ACTIVITIES															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Acquisition and ownership of buildings	CCM 7.7	0.1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	0,0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.1	0.05%	0.05%	0%	0%	0%	0%	0%	Y	Y	Y	0,0%		
Of which Enabling		0.0	0%	0.0%	0%	0%	0%	0%	0%	Y	Y	Y	0%		
Of which Transitional		0.0	0%							Y	Y	Y	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	44.0	43.5%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL				0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3.4	3.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL				0.0%		
Acquisition and ownership of buildings	CCM 7.7	10.1	10.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL				0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		57.5	56.8%	13.3%	0%	0%	0%	43.5%	0%	0%			0.0%		
CapEx of Taxonomy eligible activities (A)		57.6	56.9%	13.4%	0%	0%	0%	43.5%	0%	0%			0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES															
CapEx of Taxonomy-non-eligible activities		43.6	43.1%												
TOTAL (A. + B.)		101.2	100%												

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR N

Economic Activities (1)	Code (2)	OpEx (3) <i>In millions of euros</i>	Substantial Contribution Criteria					DNSH criteria (Does Not Significantly Harm)					Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)	
			Proportion of OpEx, Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Circular Economy (8)	Pollution (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)				Circular Economy (14)
A. TAXONOMY-ELIGIBLE ACTIVITIES																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	0%
Of which Enabling		0.00	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	0%
Of which Transitional		0.00	0%								Y	Y	Y	Y	Y	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																
Repair, refurbishment and remanufacturing	CE 5.1	4.0	6.4%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						N/A
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	7.6	12.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						N/A
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11.7	18.4%	0%	0%	0%	0%	0%	0%	0%						0%
OpEx of Taxonomy eligible activities (A)		11.7	18.4%	0%	0%	0%	0%	0%	0%	0%						0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																
OpEx of Taxonomy-non-eligible activities		51.6	81.6%													
TOTAL (A. + B.)		63.2	100%													

ACTIVITIES RELATED TO NUCLEAR ENERGY AND FOSSIL GAS

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



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6.1 Consolidated financial statements

6.1.1 CONSOLIDATED BALANCE SHEET

■ CONSOLIDATED ASSETS

(In million euros)	Notes	31 January 2024	31 January 2023 restated*
Goodwill – Net	(5-1)	1,081.8	1,080.0
Intangible fixed assets			
Gross value	(5-2)	595.8	567.8
Amortization	(5-2)	(474.7)	(442.8)
		121.1	125.0
Tangible fixed assets			
Gross value	(5-3)	654.7	626.4
Amortization	(5-3)	(528.8)	(507.3)
		125.9	119.1
Assets right-of-use			
Gross value	(8)	135.4	134.6
Amortization	(8)	(105.0)	(103.3)
		30.4	31.3
Non-current financial assets			
Investments in associated companies		9.5	10.3
Non-current financial derivative instruments	(12)	6.6	9.4
Other non-current financial assets	(5-4)	49.2	60.1
		65.3	79.8
Net long-term lease receivables	(6-2)	358.9	353.1
Other net long-term receivables		2.0	5.3
Deferred tax assets	(13-4)	17.2	17.9
Total non-current assets		1,802.6	1,811.5
Net inventories and work in progress	(6-5)	67.3	82.9
Net receivables			
Net accounts receivable	(6-2)	227.8	220.3
Net short term lease receivables	(6-2)	239.0	241.8
Income tax receivables		27.7	35.9
Net other receivables		9.3	4.3
		503.8	502.3
Prepaid expenses		47.0	41.5
Current financial assets		0.1	0.1
Current financial derivative instruments	(12)	2.1	3.1
Cash and cash equivalents			
Short-term and liquid investments		0.0	0.0
Cash		117.6	157.8
		117.6	157.8
Total current assets		737.9	787.7
Assets held for sale	(4)	9.1	-
TOTAL ASSETS		2,549.6	2,599.2

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

* See note 1-2 on consolidated financial statements.

■ CONSOLIDATED LIABILITIES

(In million euros)	Notes	31 January 2024	31 January 2023 restated*
Shareholders' equity			
Share capital	(14-1)	34.5	34.5
Additional paid-in capital	(14-1)	51.4	51.4
Reserves and retained earnings	(14-1)	893.6	914.7
Cumulative translation adjustments	(14-1)	22.4	16.0
Treasury shares	(14-1)	(3.1)	(2.8)
Net income		70.2	15.8
Total shareholders' equity		1,069.0	1,029.6
Attributable to:			
• holders of the parent company		1,059.4	1,020.8
• non-controlling interests		9.6	8.8
Non-current financial debts	(12-2)	714.8	729.7
Non-current lease obligations	(8)	31.5	34.2
Long-term provisions	(11-1)	12.2	13.4
Non-current financial derivative instruments	(12)	2.5	3.1
Other non-current liabilities		1.7	3.3
Deferred tax liabilities	(13-4)	104.4	135.8
Total non-current liabilities		867.1	919.5
Accounts payable			
Trade payables		79.2	80.5
Other operating liabilities	(6-6)	172.7	191.8
Tax payables		45.0	35.4
Short-term provisions	(11-1)	6.8	6.7
Deferred income		212.0	203.4
		515.7	517.8
Current financial derivative instruments	(12)	2.2	2.4
Current lease obligations	(8)	14.6	16.3
Financial debts			
Short-term portion of debts from credit institutions	(12-2)	60.9	79.1
Bank overdrafts	(12-2)	5.1	34.5
		66.0	113.6
Total current liabilities		598.5	650.1
Liabilities related to assets held for sale	(4)	15.0	-
TOTAL LIABILITIES		2,549.6	2,599.2

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

* See note 1-2 on consolidated financial statements.

6.1.2 CONSOLIDATED INCOME STATEMENT

(In million euros)	Notes	31 January 2024	31 January 2023 restated*
Sales	(6-1)	1,062.4	1,071.1
Current operating expenses			
Cost of sales		(274.4)	(286.0)
Research and development expenses		(63.2)	(57.5)
Sales and marketing expenses		(275.4)	(273.9)
Administrative expenses		(176.3)	(185.0)
Service and support expenses		(108.6)	(112.3)
Employee profit-sharing, share-based payments and other expenses		(7.1)	(5.6)
Expenses related to acquisitions	(6-7)	(10.7)	(10.4)
Total current operating expenses	(6-4)	(915.7)	(930.7)
Current operating income	(6-3)	146.7	140.4
Structure optimization expenses – net of reversals	(6-8)	(12.6)	(22.9)
Proceeds from asset sales		(0.0)	0.0
Other operational expenses and income	(6-9)	(1.9)	(1.8)
Impairment of goodwill	(5-5)	(0.0)	(48.5)
Operating income		132.2	67.2
Interest expenses on borrowings		(33.3)	(25.6)
Interests on lease obligations	(8)	(1.6)	(1.9)
Interest income		5.9	0.6
Net cost of debt		(29.0)	(26.9)
Losses on foreign exchange		(13.8)	(15.3)
Gains on foreign exchange		12.7	11.4
Net gains (losses) on foreign exchange		(1.1)	(3.9)
Other financial gains		0.5	-
Other financial losses		(1.6)	(4.7)
Income before tax		101.0	31.7
Share of results of associated companies		(0.4)	0.9
Income taxes	(13-3)	(16.7)	(16.7)
NET INCOME FROM CONTINUING OPERATIONS		83.9	15.9
Net income from discontinued operations	(4)	(13.7)	(0.1)
CONSOLIDATED NET INCOME		70.2	15.8
Attributable to:			
• holders of the parent company		68.7	13.3
• non-controlling interests		1.5	2.5
Net earnings per share (in euros)	(14-3)	2.02	0.29
Diluted net earnings per share (in euros)	(14-3)	2.01	0.29
Net earnings per share from continuing operations (in euros)	(14-3)	2.42	0.30
Diluted net earnings per share from continuing operations (in euros)	(14-3)	2.41	0.30

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

* See note 1-2 on consolidated financial statements.

6.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(In million euros)</i>	31 January 2024	31 January 2023 restated*
Consolidated net income	70.2	15.8
Actuarial differences recognized in equity	(18.2)	(15.0)
Deferred taxes on actuarial differences recognized in equity	5.5	6.1
Sub-total of items that could not be reclassified in net income	(12.7)	(8.9)
Change in fair value of hedging instruments	(5.5)	5.6
Deferred taxes on change in fair value of hedging instruments	1.4	(1.4)
Translation difference	6.4	9.8
Sub-total of items that could be reclassified in net income	2.3	14.0
Total income for the year	59.8	20.9
Attributable to:		
• holders of the parent company	58.3	18.4
• non-controlling interests	1.5	2.5

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

* See note 1-2 on consolidated financial statements.

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOW

<i>(In million euros)</i>	Notes	31 January 2024	31 January 2023 restated*
Net income attributable to shareholders of the parent company		68.7	13.3
Net income attributable to non-controlling interests		1.5	2.5
Expenses (income) with no cash effect or with cash effect below operating activities	(9-1)	109.0	164.6
Share of results of associated companies (net of dividends received)		0.4	(0.9)
Income taxes expense (including deferred taxes)	(13-3)	16.7	16.7
Net cost of debt		29.0	26.9
Cash flow before net cost of debt and income taxes		225.3	223.1
Working capital variation	(9-2)	(5.8)	(39.5)
(Increase) decrease in lease receivables		0.3	8.5
Cash flow from operating activities		219.8	192.1
Interest paid		(28.2)	(23.8)
Interests paid on lease obligations	(8)	(1.6)	(1.9)
Income taxes paid		(24.9)	(9.1)
Net cash flow from continued operating activities (A)		165.1	157.3
Investments in tangible fixed assets	(5-3)	(51.9)	(38.7)
Investments in intangible fixed assets	(5-2)	(35.7)	(39.3)
Impact of changes in assets right-of-use	(8)	(13.5)	(9.3)
Impact of changes in scope	(9-3)	(4.8)	2.7
Sub-total investments		(105.9)	(84.6)
Disposals of fixed assets		(0.1)	0.0
Income received from investments		0.1	0.1
Repayment of loans and other long-term advances		(1.3)	(0.1)
Net cash flow from continued investing activities (B)		(107.2)	(84.6)
Parent company capital increase		-	-
Share buyback – liquidity contract	(14-1)	(0.1)	0.4
Dividends paid to shareholders		(20.6)	(20.9)
New medium and long-term borrowings	(9-4)	90.6	20.7
ODIRNANE ^(a) interests	(14-1)	-	(269.5)
Repayment of long-term borrowings	(9-4)	(121.6)	(133.7)
Variation of lease obligation debts	(8)	(3.6)	(10.3)
Other financing activities flows		(3.2)	(1.8)
Net cash flow from continued financing activities (C)		(58.5)	(415.1)
Cash from discontinued operations (D)		(8.5)	2.0
Cumulative translation adjustments on cash and cash equivalents (E)		(1.7)	(3.1)
Change in net cash (A) + (B) + (C) + (D) + (E)		(10.8)	(343.5)
Net cash – opening^(b)		123.3	466.8
Net cash – closing		112.5	123.3
Cash and cash equivalents		117.6	157.8
Bank overdrafts		(5.1)	(34.5)
NET CASH – CLOSING		112.5	123.3

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

* See note 1-2 on consolidated financial statements.

(a) ODIRNANE: senior unsecured net share settled undated bond convertible into new shares and/or exchangeable for existing shares.

(b) The cash position at the opening and closing of the 2022 financial year has been restated (see note 1-2 on consolidated financial statements).

6.1.5 CHANGES IN SHAREHOLDERS' EQUITY

(In million euros)	Par value	Number of shares	Share capital ^(a)	Additional paid-in capital ^(a)	Reserves, retained earnings and net income	Treasury shares	Cumulative translation adjustments	Total
Consolidated shareholders' equity as of 31 January 2022	EUR 1	34,562,912	34.6	52.9	1,270.8	(5.6)	6.2	1,358.9
Attributable to:								
• holders of the parent company								1,350.4
• non-controlling interests								8.5
Impact of the IFRIC decision on SaaS contracts costs			-	-	(7.7)	-	-	(7.7)
Correction of errors related to the Switzerland/Italy investigation ^(b)			-	-	(51.8)	-	-	(51.8)
Consolidated shareholders' equity at 1st February 2022 - restated			34.6	52.9	1,211.3	(5.6)	6.2	1,299.4
Net income			-	-	15.8	-	-	15.8
Items that could not be reclassified in net income			-	-	(8.9)	-	-	(8.9)
Items that could be reclassified in net income			-	-	4.2	-	9.8	14.0
Comprehensive income 2022			-	-	11.1	-	9.8	20.9
Change in treasury shares - liquidity contract			-	-	(0.3)	0.9	-	0.6
Free shares delivered			-	-	(0.0)	1.9	-	1.9
2021 dividends			-	-	(20.7)	-	-	(20.7)
Share-based payments			-	-	2.3	-	-	2.3
ODIRNANE interests			-	-	(268.4)	-	-	(268.4)
Cancellation of treasury shares		(94,000)	(0.1)	(1.5)	-	-	-	(1.6)
Other ^(c)			-	-	(4.8)	-	-	(4.8)
Consolidated shareholders' equity as of 31 January 2023 - restated	EUR 1	34,468,912	34.5	51.4	930.5	(2.8)	16.0	1,029.6
Attributable to:								
• holders of the parent company								1,020.8
• non-controlling interests								8.8
Impact of IAS 12 amendment application ^(d)			-	-	4.7	-	-	4.7
Correction of inventories valorisation ^(e)			-	-	(2.5)	-	-	(2.5)
Consolidated shareholders' equity at 1st February 2023 - restated			34.5	51.4	932.7	(2.8)	16.0	1,031.8
Net income			-	-	70.2	-	-	70.2
Items that could not be reclassified in net income			-	-	(12.7)	-	-	(12.7)
Items that could be reclassified in net income			-	-	(4.1)	-	6.4	2.3
Comprehensive income 2023			-	-	53.4	-	6.4	59.8
Change in treasury shares - liquidity contract			-	-	0.2	(0.6)	-	(0.4)
Free shares delivered			-	-	(0.0)	0.3	-	0.3
2022 dividends			-	-	(20.6)	-	-	(20.6)
Share-based payments			-	-	0.8	-	-	0.8
Other ^(f)			-	-	(2.7)	-	-	(2.7)
CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 31 JANUARY 2024	EUR 1	34,468,912	34.5	51.4	963.8	(3.1)	22.4	1,069.0
Attributable to:								
• holders of the parent company								1,059.4
• non-controlling interests								9.6

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

(a) The share capital is fully released. Additional paid-in capital includes issue and translation premiums.

(b) See note 1-2 on consolidated financial statements

(c) The line "Other" as of 31 January 2023 included in particular the fair value correction of the investment realized by Quadient for the benefit of the private equity fund X'Ange 2 for an amount of 1.9 million euros and a correction of the capitalized amount of the R&D expenses for an amount of 3.4 million euros.

(d) In compliance with IAS 8, the impact of the amendment to IAS 12 on deferred taxes generated by a single transaction has been recognized in opening equity.

(e) The historical value of inventories has been adjusted at the beginning of the year.

(f) The line "Other" as of 31 January 2024 mainly includes the effect of the tax transparency of the German holding company for 1.1 million euros.

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 January 2024 were approved by the Board of directors on 22 March 2024.

Unless otherwise indicated, all amounts stated hereafter are in million euros, rounded to one decimal place. Therefore, the

sum of rounded amounts may present immaterial differences with the total shown.

Some amounts as of 31 January 2023 have been reclassified to be comparable with the presentation adopted as of 31 January 2024.

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NOTE 1 PRESENTATION OF THE GROUP AND ITS CONSOLIDATED FINANCIAL STATEMENTS

Quadiant is the driving force behind the most meaningful customer experience. By focusing on three major business areas which are Intelligent Communication Automation (ICA), Mail-Related Solutions (MRS) and Parcel Locker Solutions (PLS), Quadiant assists on a daily basis hundreds of thousands of companies in building powerful connections with their customers and in delivering exceptional customer experiences, in a world where interaction have to be always more connected, personal and mobile.

The term “Quadiant S.A.” refers to the parent company (excluding consolidated subsidiaries), which is listed and registered in France, while “Quadiant” and “the Group” refer to the economic group formed by the parent company and its consolidated subsidiaries.

The parent company’s head office is located at 42-46 avenue Aristide Briand, 92220 Bagneux (France).

Quadiant shares are listed on compartment B of Euronext Paris.

1-1: History

Quadiant was created in 1992 through a Leveraged Buy-Out (LBO) of Alcatel’s mail processing equipment division.

A second LBO took place in 1997.

In February 1999, the Group was listed on the Paris stock exchange. Since then, Quadiant has made acquisitions of various sizes.

In 2002, Quadiant acquired Ascom Hasler – the mailing systems division of the Swiss company Ascom – which at the time was ranked third in the world.

In 2012, Quadiant acquired GMC Software AG, parent company of the group GMC Software Technology AG, leader in the field of customer communication management,

In 2016, Quadiant acquired Icon Systemhaus GmbH, German leader in customer communication solutions, mainly active in Germany and Austria.

In 2017, the Group divested its distribution subsidiaries in Indonesia, Malaysia, Singapore and Thailand and its subsidiary DMTI Spatial, provider of location-based data quality solutions acquired in 2013.

In 2018, Quadiant acquired 100% of the company Parcel Pending Inc., leader in the American parcel locker market and the main supplier of residential, commercial, retail and universities in the United States and Canada. In 2018, Quadiant also sold its 100% stake in the company Quadiant Data USA (former Satori Software), one of the leaders in address quality solutions in the United States acquired in 2009.

In 2019, Quadiant divested Quadiant Data Netherlands BV (former Human Inference), subsidiary specialized in master data management acquired in 2012. Quadiant also decided the shutdown of its Australian subsidiary Temando (e-commerce shipping software) acquired in 2015 for 55% and then in 2017 for the remaining 45%.

In 2019, the Group also announced its decision to change the name Neopost to become Quadiant. This choice of a unified and modern brand is the result of deploying a new Group organization as part of the Group’s “Back to Growth” strategy, moving away from companies operating independent businesses to a single company with an integrated portfolio of solutions.

In 2020, Quadiant divested ProShip Inc., subsidiary acquired in 2014, whose business was to provide automated multi-carrier shipping software. Quadiant also acquired 100% of the company YayPay, leading Fintech company specialized in account receivables automation solutions. Finally, at the end of the financial year, Quadiant divested the company Quadiant Oceania Pty Ltd in Australia.

In 2021, Quadiant acquired the Canadian company Beanworks, a leader in Software as a Service (SaaS) accounts payable automation solutions. Quadiant also divested its automated packaging solutions business (APS) along with the Drachten (the Netherlands) manufacturing.

In June 2022, Quadiant divested its graphics activities in the Nordic countries to the print company, Ricoh. These activities mainly consist in the distribution of printing and print finishing business solutions in Sweden, Norway, Denmark and Finland. Also in June 2022, Quadiant sold its Shipping activity which included a complete logistics and transport management solution as well as the production, management and distribution of RFID systems for asset tracking.

1-2: Main events of the period

DAYLIGHT AUTOMATION INC. ACQUISITION

On 12 September 2023, Quadiant acquired 100% of the shares of Daylight Automation Inc. a Canadian Software as a Service (SaaS) company whose platform offers unrivalled intelligent forms automation capabilities, enabling customers to create technical forms quickly and easily.

INVESTIGATION IN ITALY AND SWITZERLAND

At the time of closing the accounts for the first half of 2023, the Group identified accounting irregularities and practices that did not comply with Group procedures, attributable to the finance team responsible for Mail-Related Solutions’ Italian and Swiss subsidiaries. These were detected thanks to the reorganization measures, and in particular the centralization of support functions, put in place in the first half of 2023, improving the controls in place, enabling the Group to react quickly and effectively to this situation as soon as it was detected. The verification measures taken following the discovery of these accounting irregularities have confirmed :

- The active involvement of at least two people within the finance team responsible for Mail-Related Solutions’ Italian and Swiss subsidiaries;
- The fact that these accounting irregularities are confined to these local subsidiaries;
- And the absence of any material impact on the 2022 and 2023 income statements.

On the other hand, the results of the investigations initiated, both internally and with the support of recognized external experts, have led the Group to record accounting adjustments relating to prior years. In accordance with IAS 8,

the impact of this adjustment has been recognized in opening shareholders' equity for 2022 in the amount of (51.8) million euros, and the balance sheet items concerned have been adjusted as at 31 January 2023 where appropriate.

The impact of these adjustments on the main balance sheet items is summarized in the following table:

	31 January 2023 published	Corrections	31 January 2023 restated
Non-current assets	1,813.3	(1.8)	1,811.5
Inventories	86.4	(3.5)	82.9
Trade receivables	237.1	(16.8)	220.3
Cash	172.2	(14.4)	157.8
Other current assets	337.6	(10.9)	326.7
TOTAL ASSET	2,646.6	(47.4)	2,599.2
Equity	1,081.5	(51.8)	1,029.6
Non-current liabilities	919.5	-	919.5
Trade payables	78.8	1.7	80.5
Other payables	189.3	2.5	191.8
Other non-current liabilities	377.5	0.3	377.8
TOTAL LIABILITIES	2,646.6	(47.4)	2,599.2

In addition and considering the conclusions of the investigations carried out in Italy and in Switzerland, the Group decided in January 2024 to review the future of its Mail-Related Solutions activity in Italy and is engaged in the path of divesting this subsidiary within the next twelve months. The assets and liabilities of this 100%-owned subsidiary are presented as assets and liabilities held for sale

in accordance with IFRS 5 (see note 4 of the notes to the consolidated financial statements). The business of this subsidiary is presented as a discontinued operation in the 2023 income statement, and the comparative information in the 2022 income statement has been restated. The investigation is now complete, and the Group does not expect any further corrections.

The impact of these restatements on the main aggregates of the 2022 income statement is shown in the table below:

	31 January 2023 published	Restatements	31 January 2023 restated
Revenue	1,081.2	(10.1)	1,071.1
Cost of sales	(290.9)	4.9	(286.0)
Current operating expenses	(650.6)	5.9	(644.7)
Non-current expenses	(73.2)	-	(73.2)
Operating income	66.5	0.7	67.2
Financial profit (loss)	(35.6)	0.1	(35.5)
Profit before taxes	30.9	0.8	31.7
Income taxes	(16.0)	(0.7)	(16.7)
Share of results in associated companies	0.9	-	0.9
Net income from discontinued operations	-	(0.1)	(0.1)
GROUP NET INCOME	15.8	-	15.8

NOTE 2 ACCOUNTING PRINCIPLES**2-1: Accounting standards applied**

The consolidated financial statements comply with the international accounting standards (IFRS: International Financial reporting Standards) issued by the IASB (International Accounting Standards Board). The IFRS applicable as of 31 January 2024 as approved by the European Union are available on the European Commission website.

2-2: Standards' evolution

Quadiant has implemented the amendment to IAS 12 - Deferred taxes on assets and liabilities arising from a single transaction. The Group now recognizes a deferred tax asset in respect of lease obligations and a deferred tax liability in respect of lease assets rights-of-use, the impact of which at the start of the year has been recognized as an opening adjustment to shareholders' equity in the amount of 4.7 million euros, in accordance with IAS 8.

2-3: Use of estimates

In order to prepare this financial information, Quadiant has made estimates and used assumptions that may affect the amounts presented under assets and liabilities, as well as the amounts presented under income and expenses for the year.

The main material estimates and assumptions made when preparing the financial statements relate in particular to retirement benefit obligations, deferred taxes, goodwill, some provisions and the useful life of fixed assets.

These estimates and assessments are reviewed regularly on the basis of actual experience and various other factors

considered reasonable, which form the basis of the measurement of book value for assets and liabilities. Actual outcomes might differ substantially from these estimates if different assumptions or conditions are applied.

2-4: Foreign currency payables and receivables

Transactions in foreign currencies are recorded at the exchange rate in force on the date of the transaction. All assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate in force at closing. The resulting gains and losses are recognized in the income statement, except for variances on loans or borrowings which form part of the net investment in a foreign entity. These are booked directly under shareholders' equity until divestment.

2-5: Translation of financial statements denominated in foreign currencies

The operating currency for each of the Group's entities is the currency of the economic environment in which that entity operates.

Financial statements of subsidiaries operating outside France, which are presented in local currencies, are translated into euros - the currency used in the Group's financial statements - at the year-end exchange rate. Income statement and cash flow statement are translated at the average exchange rate over the period.

The resulting translation variance is recognized in the translation adjustment reserve under shareholders' equity.

The exchange rates for the main Group's main currencies are as follows:

	31 January 2024		31 January 2023	
	Period end	Average	Period end	Average
United States dollar (USD)	1.08	1.08	1.08	1.05
Pound sterling (GBP)	0.85	0.87	0.88	0.86
Canadian dollar (CAD)	1.46	1.46	1.46	1.37
Swiss franc (CHF)	0.93	0.97	1.00	1.00
Japanese yen (JPY)	160.19	153.52	141.27	138.88
Norwegian krone (NOK)	11.35	11.48	10.91	10.16
Swedish krone (SEK)	11.27	11.48	11.35	10.70
Danish krone (DKK)	7.46	7.45	7.44	7.44
Australian dollar (AUD)	1.65	1.64	1.55	1.52
Singapore dollar (SGD)	1.45	1.45	1.43	1.44
Indian rupee (INR)	90.00	89.53	88.64	83.04
Brazilian real (BRL)	5.37	5.38	5.54	5.39
Chinese yuan (CNY)	7.78	7.70	7.32	7.09
Czech koruna (CZK)	24.89	24.06	23.79	24.52
Hungarian florin (HUF)	384.90	380.59	390.91	394.06
Polish zloty (PLN)	4.33	4.51	4.71	4.70
New Zealand dollar (NZD)	1.77	1.77	1.69	1.66
Mexican peso (MXN)	18.58	19.04	20.40	20.98

NOTE 3 SCOPE AND PRINCIPLES OF CONSOLIDATION

3-1: Accounting policies relating to the scope of consolidation

The Group's consolidated financial statements are prepared in accordance with generally accepted accounting principles in the country of operation. Financial statements of foreign companies have been restated to be compliant with Quadient Group's accounting principles.

The consolidated balance sheet incorporates all items of assets and liabilities along with the results of consolidated companies. Intra-Group transactions and profits relating to these operations as well as intra-Group capital gains are eliminated.

Subsidiaries controlled directly by the parent company or indirectly through other subsidiaries are consolidated using the full consolidation method. Stakes in associated companies over which the investor exerts significant influence are consolidated using the equity method. Significant influence is assumed when the investor controls directly or indirectly through subsidiaries 20% or more of the voting rights in the Company in question.

3-2: Changes in the scope of consolidation

The consolidated financial statements include the financial statements of Quadient S.A. and its subsidiaries. Unless otherwise stated, the subsidiaries are consolidated as from the date on which control is acquired by the Group and until the date on which control is transferred outside the Group. Control is the power to direct a company's financial and operational policies in order to derive profit from its activities.

In 2023, the main change in the scope of consolidation is the acquisition of 100% of the shares of Daylight Automation Inc. in September 2023.

3-3: Information on related parties

Quadient owns a 35% stake in Docapost BPO IS and a 24% stake in AMS Investissement. The transactions with these companies, consolidated using the equity method, are not significant.

3-4: List of subsidiaries as of 31 January 2024

COMPANIES CONSOLIDATED USING THE EQUITY METHOD

Company name	Parent company	% interest	% control
France			
Docapost BPO IS	Quadient S.A.	35%	35%
AMS Investissement	Quadient S.A.	24%	24%

FULLY CONSOLIDATED COMPANIES

Company name	Parent company	% interest	% control
France			
Quadient S.A.	-	-	-
Quadient France	Quadient S.A.	100%	100%
Quadient Technologies France	Quadient France	100%	100%
Quadient Industrie France	Quadient S.A./Quadient Technologies France	100%	100%
Quadient Finance France	Quadient S.A./Quadient France	100%	100%
Quadient Shipping	Quadient S.A.	100%	100%
Quadient CXM France	Quadient CXM AG	100%	100%
Packcity SASU	Quadient S.A.	100%	100%
Packcity France	Packcity SASU	100%	100%
Packcity Geopost	Packcity France	66%	100%
Netherlands			
Quadient Holding Netherlands BV	Quadient S.A.	100%	100%
Quadient Technologies BV	Quadient Holding Netherlands BV	100%	100%
Quadient Netherlands BV	Quadient Holding Netherlands BV	100%	100%
Quadient Finance Netherlands BV	Quadient Netherlands BV	100%	100%
United Kingdom			
Quadient Holdings Ltd	Quadient S.A.	100%	100%
Quadient UK Ltd	Quadient Holdings Ltd	100%	100%
Quadient Finance UK Ltd	Quadient UK Ltd	100%	100%
Quadient International Supply Ltd	Quadient Holdings Ltd	100%	100%
Quadient Technologies UK Ltd	Quadient Technologies Holdings UK Ltd	100%	100%
Quadient Technologies Holdings UK Ltd	Quadient S.A.	100%	100%
Quadient Data UK Ltd	Quadient UK Ltd	100%	100%
Quadient CXM UK Ltd	Quadient CXM AG	100%	100%
Quadient solutions Ltd	Quadient Ltd	100%	100%
YayPay UK Ltd	YayPay Inc.	100%	100%
Germany			
Quadient Germany GmbH & Co. KG	Quadient S.A./Quadient Holding Germany GmbH	100%	100%
Quadient Finance Germany GmbH	Quadient Germany GmbH & Co. KG	100%	100%
Quadient Holding Germany GmbH	Quadient S.A.	100%	100%
Neopost Software GmbH	Quadient Germany GmbH & Co. KG	100%	100%
Quadient CXM Germany GmbH	Quadient CXM AG	100%	100%
Quadient Dopix GmbH	Neopost Software GmbH	100%	100%
Austria			
Quadient Dopix International D&S AG	Quadient Dopix GmbH	100%	100%

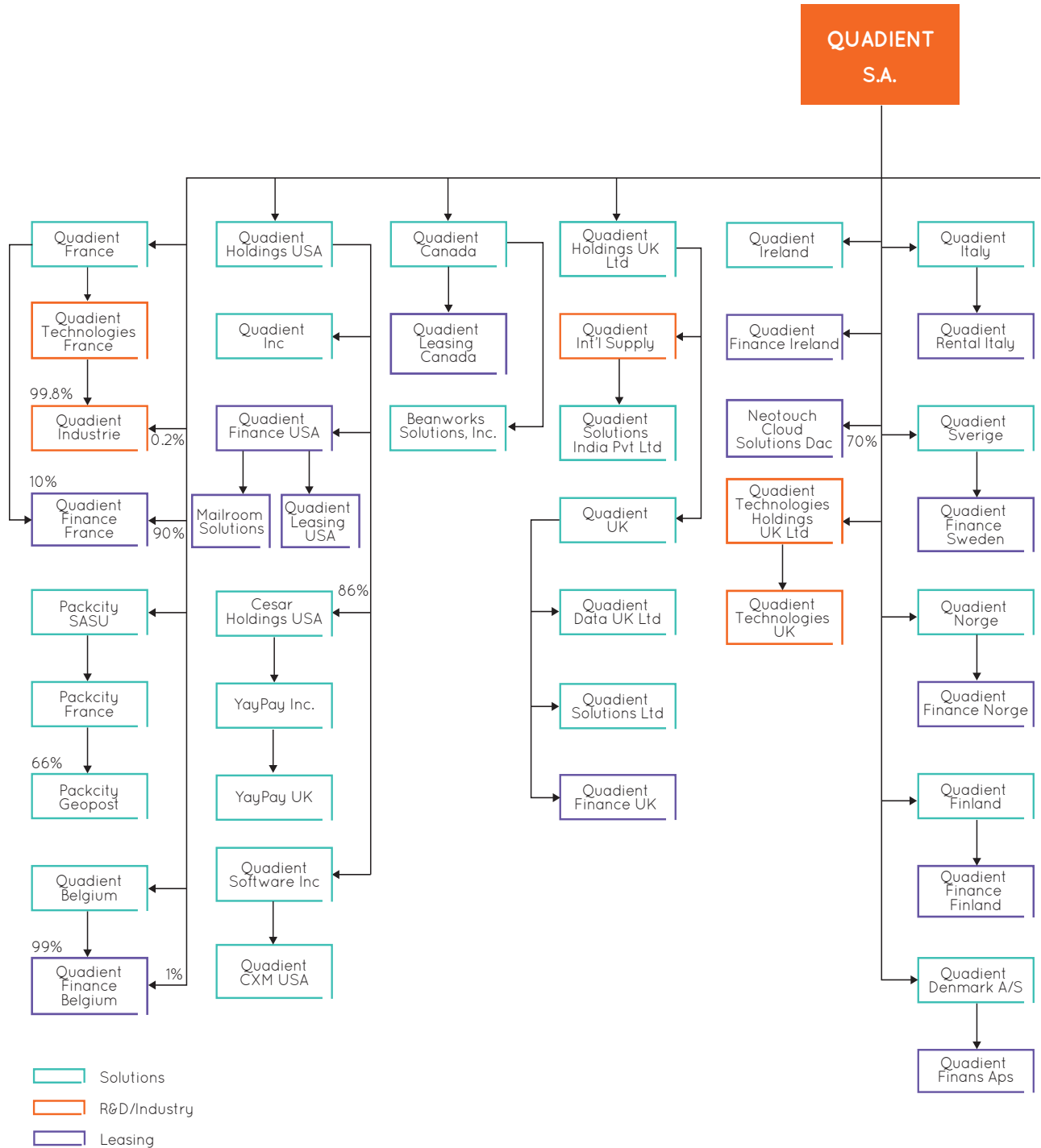
Company name	Parent company	% interest	% control
Switzerland			
Quadiant Switzerland AG	Quadiant S.A.	100%	100%
Quadiant Finance Switzerland AG	Quadiant Switzerland AG	100%	100%
Quadiant CXM AG	Quadiant S.A.	100%	100%
Quadiant CXM Switzerland AG	Quadiant CXM AG	100%	100%
Italy			
Quadiant Italy Srl	Quadiant S.A.	100%	100%
Quadiant Rental Italy Srl	Quadiant Italy Srl	100%	100%
Quadiant CXM Italy	Quadiant CXM AG	100%	100%
Belgium			
Quadiant Belgium Nv	Quadiant S.A.	100%	100%
Quadiant Finance Belgium Sprl	Quadiant Belgium Nv/Quadiant S.A.	100%	100%
Ireland			
Quadiant Ireland Ltd	Quadiant S.A.	100%	100%
Quadiant Finance Ireland Ltd	Quadiant S.A.	100%	100%
Neotouch Cloud solutions Dac	Quadiant S.A.	70%	100%
Spain			
Quadiant Mailing Logistics System (SL)	Quadiant S.A.	100%	100%
Quadiant Software Spain S.A.	Quadiant CXM AG	100%	100%
Norway			
Quadiant Norge AS	Quadiant S.A.	100%	100%
Quadiant Finance Norge AS	Quadiant Norge AS	100%	100%
Sweden			
Quadiant Sverige AB	Quadiant S.A.	100%	100%
Quadiant Finance Sweden AB	Quadiant Sverige AB	100%	100%
Denmark			
Quadiant Denmark A/S	Quadiant S.A.	100%	100%
Quadiant Finance Denmark Aps	Quadiant Denmark A/S	100%	100%
Quadiant CXM Denmark Aps	Quadiant CXM AG	100%	100%
Finland			
Quadiant Finland Oy	Quadiant S.A.	100%	100%
Quadiant Finance Finland Oy	Quadiant S.A.	100%	100%
Czech Republic			
Quadiant Technologies Czech s.r.o	Quadiant CXM AG	100%	100%
Quadiant CXM Czech s.r.o	Quadiant CXM AG	100%	100%
Hungary			
Quadiant CXM Hungary Kft.	Quadiant CXM AG	100%	100%
Poland			
Quadiant Poland Sp. z o.o.	Quadiant CXM AG	100%	100%
United States of America			
Quadiant Holdings USA Inc.	Quadiant S.A.	100%	100%
Quadiant Inc.	Quadiant Holdings USA Inc.	100%	100%
Quadiant Leasing USA Inc.	Quadiant Mailroom Inc.	100%	100%
Quadiant Finance USA Inc.	Quadiant Holdings USA Inc.	100%	100%
Quadiant Mailroom Inc.	Quadiant Mailroom Inc.	100%	100%
Quadiant CXM USA Inc.	Quadiant Software Inc.	100%	100%
Cesar Holding Inc.	Quadiant Holdings USA Inc.	100%	100%
YayPay Inc.	Cesar Holding Inc.	100%	100%
Quadiant Software Inc.	Quadiant Holding Inc.	100 %	100 %

Company name	Parent company	% interest	% control
Canada			
Quadiant Canada Ltd	Quadiant S.A.	100%	100%
Quadiant Leasing Canada Ltd	Quadiant Canada Ltd	100%	100%
Quadiant CXM Canada Ltd	Quadiant CXM AG	100%	100%
Beanworks Solutions Inc	Quadiant Canada Ltd	100%	100%
Daylight Automation Inc.	Quadiant CXM Canada Ltd	100%	100 %
India			
Quadiant Solutions India Private Ltd	Quadiant International Supply Ltd	100%	100%
Japan			
Quadiant Japan	Quadiant S.A.	100%	100%
Packcity Japan	Quadiant Shipping	51%	100%
Hong Kong			
Quadiant Technologies Hong Kong Ltd	Quadiant Holding Netherlands BV	100%	100%
Quadiant Supply Hong Kong Ltd	Quadiant Holding Netherlands BV	100%	100%
Australia			
Neopost Holdings Pty Ltd	Quadiant S.A.	100%	100%
Quadiant Finance Australia Pty Ltd	Neopost Holdings Pty Ltd	100%	100%
Quadiant Australia Pty Ltd	Quadiant CXM AG	100%	100%
Neopost Shipping Holding Pty Ltd	Quadiant S.A.	100%	100%
Singapore			
Neopost Asia-Pacific (Holding) Pte Ltd	Quadiant S.A.	100%	100%
Quadiant Singapore Pte Ltd	Quadiant CXM AG	100%	100%
Brazil			
Quadiant Software Brazil Ltda.	Quadiant CXM AG	100%	100%
China			
Quadiant China Ltd	Quadiant CXM AG	100%	100%
Mexico			
Quadiant Mexico De Srl	Quadiant S.A. / Quadiant CXM Canada Inc	100%	100%

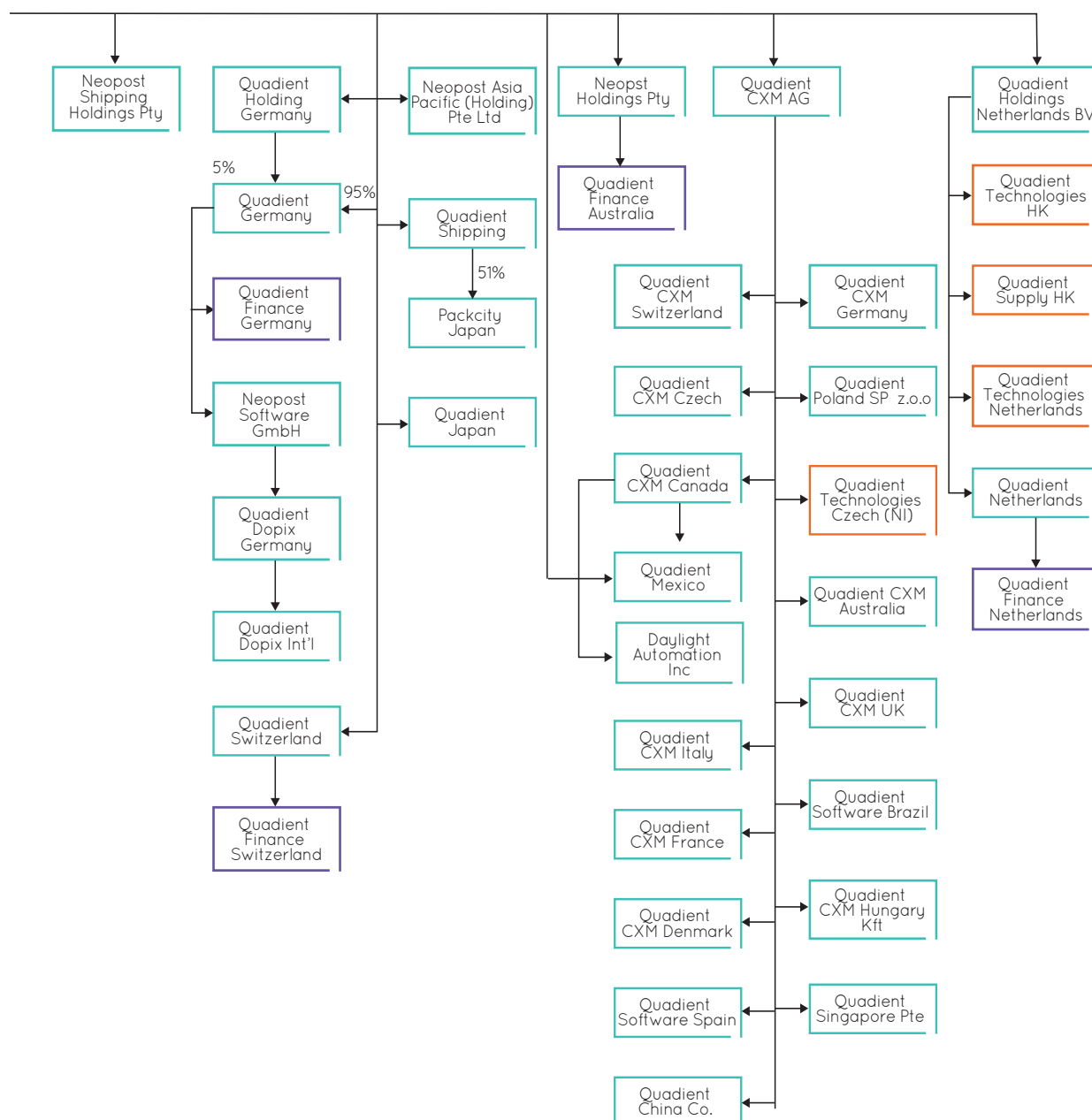
The most important subsidiaries, in terms of percentage of Group sales, are the following:

	31 January 2024	31 January 2023 restated
Quadiant Inc.	40.0%	39.5%
Quadiant France	12.7%	12.8%
Quadiant Leasing USA Inc.	6.6%	6.7%
Quadiant UK Ltd	4.8%	5.5%
Quadiant Germany GmbH & Co. KG	3.8%	3.9%
Main subsidiaries	67.9%	68.4%
Other subsidiaries	32.1%	31.6%
TOTAL	100.0%	100.0%

3-5: Organization chart of the Group



Participations
Docapost BPO IS 35%
AMS Investissement 24%



NOTE 4 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 "Non-current assets held for sale and discontinued operations" specifies the accounting treatment applicable to assets held for sale and the presentation and disclosure of discontinued operations.

Assets held for sale

Non-current assets held for sale are presented separately in the statement of financial position as soon as:

- The Group has decided to sell these assets; and
- When the sale is considered to be highly probable.

These assets are measured at the lower of the carrying amount and the fair value less costs to sell. When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of this subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Discontinued operations

A discontinued operation is a component operation of an entity that has either been disposed of, or is classified as held for sale and

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations,
- Or is a subsidiary acquired exclusively with a view to resale.

When the criteria are met, the net income and the cash flow of discontinued operations are presented on a separate line in the consolidated income statements and consolidated statement of cash flow. The Group decides if a discontinued operation forms a separate major line of business or geographical region of operations substantially based on its contribution to the Group financial statements.

In view of the conclusions of the investigation carried out in Italy since the close of the first-half 2023 financial statements, the Group decided in January 2024 to divest its Mail-Related Solutions business in Italy. The assets and

liabilities of this 100%-owned subsidiary are presented under assets and liabilities held for sale. The details of assets and liabilities held for sale are presented in the table below:

	31 January 2024
Non-current assets	1.0
Inventories	0.6
Trade receivables	0.6
Other current assets	0.3
Cash	6.6
ASSETS HELD FOR SALE	9.1
Lease obligations	0.5
Trade payables	0.7
Other current liabilities	6.3
Deferred income	0.4
Other liabilities	7.1
LIABILITIES RELATED TO ASSETS HELD FOR SALE	15.0

Net income from discontinued operations amounts to (13.7) million euros, and comprises the 2023 net income of the Italian Mail-Related Solutions distribution subsidiary, broken down below, the impairment of assets held for sale to reflect their fair value at 31 January 2024, and the recognition of the

costs the Group expects to incur to implement this operation in 2024. The impact of the presentation of discontinued operations on the main income statement aggregates is as follows:

	31 January 2024	31 January 2023
Revenue	8.1	10.1
Cost of sales	(4.8)	(4.9)
Current operating expenses	(5.6)	(5.9)
Non-current operating expenses	(7.4)	-
Operating income (loss)	(9.7)	(0.8)
Financial profit / (loss)	0.1	(0.0)
Profit before taxes	(9.6)	(0.8)
Income taxes	(4.1)	0.7
NET INCOME FROM DISCONTINUED OPERATIONS	(13.7)	(0.1)

The impact of the presentation of discontinued operations on cash flows is as follows:

	31 January 2024	31 January 2023
Cash flow from operating activities - Discontinued operations	(4.2)	0.6
Cash flow from investing activities - Discontinued operations	(0.9)	(0.5)
Cash flow from financing activities - Discontinued operations	3.2	1.9
Cash classified as assets held for sale	(6.6)	-
NET CASH FROM DISCONTINUED OPERATIONS	(8.5)	2.0
Opening cash	8.5	10.7
Closing cash	-	8.5

NOTE 5 INTANGIBLE ASSETS, TANGIBLE ASSETS AND NON-CURRENT FINANCIAL ASSETS

5-1: Goodwill

5-1-1: ACCOUNTING PRINCIPLES

In accordance with IFRS 3, business combinations are recognized using the acquisition method. At the date on which control of a company is taken, the assets, liabilities and contingent liabilities acquired are measured at fair value. Any variance between the cost of acquiring the shares and the acquirer's share of this revalued net asset value constitutes goodwill.

Any negative goodwill is recognized immediately in the income statement after confirmation of the nature of this negative goodwill and its constituent components.

Goodwill is not amortized but is subject to an annual impairment test as described in note 5-5.

Earn-outs

Earn-outs are generally based on sales or revenue estimates targets in the years following the acquisition. The

amounts booked correspond to the best estimate of the future performance of these acquisitions. If these criteria are not met, the partial or total reversal of the debt related to these unpaid earn-outs will be recognized in the current operating income.

Commitment to purchase non-controlling interests

Sell options granted to minority shareholders are recognized as debt measured at the estimated exercise price of the option. The relevant portion of subsidiaries' net assets is transferred from "Non-controlling interests" to "Other financial debts". The non-controlling interests' share of net income is unchanged and still reflects the proportion owned by minorities.

The recognition in goodwill of the difference between the strike price of the option and the value of non-controlling interests is booked under shareholders' equity.

5-1-2: CHANGES IN GOODWILL

	Gross value	Impairment	Net value
Goodwill at 31 January 2023- restated	1,207.9	(127.9)	1,080.0
Daylight Automation Inc. acquisition	2.5	-	2.5
Translation difference	(2.1)	1.4	(0.7)
GOODWILL AT 31 JANUARY 2024	1,208.3	(126.5)	1,081.8

In 2023, the goodwill variation is mainly explained by the recognition of an initial 5.6 million euros (8.2 million of Canadian dollars) goodwill related to Daylight Automation acquisition in Canada. The purchase price allocation was performed in 2023 and led to the recognition of 3.1 million euros (4.6 million of Canadian dollars) in intangible assets, for customer relations and acquired technology. The final amount of goodwill is 2.5 million euros (3.6 million of Canadian dollars).

The impairment is detailed in the note 5-5. As of 31 January 2024, the cumulative impairment amounts to (126.5) million euros.

All the acquisitions were fully paid for by the Group through its cash and/or financing lines.

5-1-3: BREAKDOWN OF GOODWILL BY CASH-GENERATING UNIT (CGU) OR GROUP OF CGUS

According to IAS 36, the goodwill must be allocated to each CGU or group of CGUs expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is so allocated must represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment as defined by the IFRS 8 – Operating Segments, before aggregation.

Until 2022, the Group kept tracking separately the goodwill allocated to YayPay and Beanworks CGUs, while awaiting the finalization of the minority buyout mechanism included in the acquisition agreements. In 2023, this goodwill is integrated in the CGU ICA North America.

The goodwill generated by the acquisition of Daylight is included in the CGU ICA North America.

The level of analysis at which Quadient determines the recoverable amount of the goodwill thus corresponds to the following CGUs or groups of CGUs:

	31 January 2024	31 January 2023 restated
MRS North America	362.8	363.2
ICA North America	183.2	103.4
PLS North America	46.4	46.5
MRS France Benelux	151.7	151.7
ICA France Benelux	48.2	48.2
PLS France Benelux	4.3	4.2
MRS Germany - Austria - Italy - Switzerland	58.7	58.1
ICA Germany - Austria - Italy - Switzerland	73.4	72.6
MRS United Kingdom - Ireland	115.6	116.7
MRS International	2.1	2.2
ICA International *	35.4	35.8
YayPay	-	14.4
Beanworks	-	63.0
GOODWILL NET BOOK VALUE	1,081.8	1,080.0

* ICA International gathers several CGUs or group of CGUs.

5-2: Intangible fixed assets**5-2-1: ACCOUNTING PRINCIPLES**

Intangible fixed assets acquired separately are recognized at acquisition cost. Intangible fixed assets acquired as part of a business combination are recognized at fair value on their acquisition date, separately from goodwill if they meet the two following conditions:

- They are identifiable, *i.e.* they result from legal or contractual rights;
- They are separable from the acquired entity.

Intangible fixed assets include software, patents, lease rights and activated development expenses.

Development expenses

In accordance with IAS 38, development expenses meeting the following conditions are recognized as intangible fixed assets:

- the project is clearly identified and the costs relating to it are individually identified and reliably monitored;

- the technical feasibility of the project has been demonstrated;
- there is a proven intention to complete the project and use or sell the products developed under it;
- the necessary resources for completing the project are available;
- the existence of a potential market for the production arising from this project or its internal usefulness has been demonstrated.

Such development expenses are amortized over a period of three to six years, reflecting the average useful life of marketed products.

Other intangible fixed assets

Other intangible fixed assets are amortized on a straight-line basis over a period representing the best estimate of the assets' useful life.

5-2-2: CHANGES IN INTANGIBLE FIXED ASSETS

	Concessions, rights	Software	Development expenses	IT implementation costs	Other	Total
Gross value as of 31 January 2023 - restated	31.8	117.7	290.2	56.9	71.2	567.8
Acquisitions/capitalization	-	2.0	33.3	0.0	0.4	35.7
Divestments/disposals	-	(8.2)	(7.0)	(0.0)	(1.9)	(17.1)
Reclassification in assets held for sale	-	(1.7)	-	-	-	(1.7)
Other changes	0.0	14.7	-	(10.9)	0.3	4.1
Translation difference	0.2	1.7	2.8	0.2	2.1	7.0
GROSS VALUE AS OF 31 JANUARY 2024	32.0	126.2	319.3	46.2	72.1	595.8
Cumulative amortization	(31.7)	(118.3)	(226.9)	(46.2)	(51.6)	(474.7)
NET BOOK VALUE AS OF 31 JANUARY 2024	0.3	7.9	92.4	0.0	20.5	121.1

The change in intangible fixed assets is mainly due to the capitalization of development costs for 33.3 million euros, the recognition of the intangible assets as part of Daylight

Automation' purchase price allocation for an amount of 3.1 million euros and some reclassifications from one intangible category to another.

	Concessions, rights	Software	Development expenses	IT implementation costs	Other	Total
Amortization as of 31 January 2023 - restated	31.4	114.2	195.1	56.9	45.2	442.8
Charges	0.1	1.5	34.6	0.0	6.4	42.6
Divestments/disposals	(0.0)	(8.1)	(7.2)	(0.0)	(1.9)	(17.2)
Reclassification in assets held for sale	-	(1.7)	-	-	-	(1.7)
Other changes	0.0	10.7	2.9	(10.9)	0.0	2.7
Translation difference	0.2	1.7	1.5	0.2	1.9	5.5
AMORTIZATION AS OF 31 JANUARY 2024	31.7	118.3	226.9	46.2	51.6	474.7

Other changes mainly represent reclassifications.

5-3: Tangible fixed assets

5-3-1: ACCOUNTING PRINCIPLES

Tangible fixed assets acquired separately are initially measured at acquisition cost in accordance with IAS 16. This cost includes expenses directly attributable to the acquisition of the asset. Tangible fixed assets acquired as part of a business combination are recognized at fair value on their acquisition date, separately from goodwill.

The value of tangible fixed assets is then reduced by the amount of accumulated depreciation and impairment losses.

Demonstration equipment

Demonstration equipment recognized under tangible fixed assets is depreciated using the straight-line method over four years, which is generally considered to be its useful life.

Spare parts

Spare parts and maintenance parts that are used over more than one fiscal year or which can only be used with a fixed asset are recognized under tangible fixed assets and depreciated over their useful life.

Rented equipment

For its Mail-Related Solutions and Parcel Locker Solutions, the Group rents assets that are depreciated over their useful life.

Rented franking machines other than IS-280 consist of two distinct components with different useful lives: a meter and a base.

The depreciation periods, which correspond to the useful life of the asset in question, are as follows:

- IS-280: three years in North America and five years in France;
- meter: five years;
- base: six years, in France only;
- parcel lockers: seven years.

The intra-Group margin generated by industrial subsidiaries on equipment sold to the distribution subsidiaries that rent this equipment is eliminated, and depreciation is recalculated on the basis of the new value thus obtained.

Depreciation periods

Depreciation uses the straight-line method and is over the useful life of the asset:

- buildings: twenty to forty years;
- equipment: five to ten years;
- tools: three years;
- office furniture: ten years;
- research equipment: five years;
- rented equipment: three, five or six years;
- demonstration equipment: four years;
- spare parts: four years;
- refurbished machinery: three years.

5-3-2: CHANGES IN TANGIBLE FIXED ASSETS

	Land and buildings	Machinery and equipment	Rented equipment	IT equipment	Demonstration equipment	Other	Total
Gross value as of 31 January 2023 - restated	19.4	46.7	486.4	39.7	2.7	31.5	626.4
Acquisitions	0.1	1.9	44.0	2.5	0.2	3.2	51.9
Scope variation	-	-	-	0.3	-	-	0.3
Divestments/disposals	-	(0.6)	(9.3)	(0.8)	(0.1)	(1.2)	(12.0)
Reclassification in assets held for sale	-	(1.3)	-	(0.6)	(0.3)	(0.5)	(2.7)
Other changes	-	(2.3)	0.0	0.4	(0.1)	(0.0)	(2.0)
Translation difference	0.1	0.3	(7.8)	0.0	0.1	0.1	(7.2)
GROSS VALUE AS OF 31 JANUARY 2024	19.6	44.7	513.3	41.5	2.5	33.1	654.7
Cumulative amortization	(12.9)	(38.4)	(418.4)	(36.1)	(1.6)	(21.4)	(528.8)
NET BOOK VALUE AS OF 31 JANUARY 2024	6.7	6.3	94.9	5.4	0.9	11.7	125.9

	Land and buildings	Machinery and equipment	Rented equipment	IT equipment	Demonstration equipment	Other	Total
Amortization as of 31 January 2023 - restated	12.1	40.3	397.9	34.6	1.8	20.6	507.3
Charges	0.2	1.7	34.8	3.1	0.4	2.2	42.4
Scope variation	-	-	-	0.3	-	-	0.3
Divestments/disposals	-	(0.6)	(9.3)	(0.8)	(0.4)	(1.1)	(12.2)
Reclassification in assets held for sale	-	(1.3)	-	(0.6)	(0.1)	(0.4)	(2.4)
Other changes	0.5	(1.9)	0.0	(0.5)	(0.1)	-	(2.0)
Translation difference	0.1	0.2	(5.0)	0.0	0.0	0.1	(4.6)
AMORTIZATION AS OF 31 JANUARY 2024	12.9	38.4	418.4	36.1	1.6	21.4	528.8

The other variations mainly represent reclassifications.

The variations of the gross value and the amortization assets right-of-use recognized as part of the application of IFRS 16 are presented in the note 8.

5-4: Non-current financial assets

5-4-1: ACCOUNTING PRINCIPLES

Non-current financial assets are initially recognized either at their acquisition cost including transaction costs or at the fair value of the assets used for payment.

Following initial recognition, assets classified as "Investments in associated companies" or "Non-consolidated shares" are measured at fair value on the closing date.

Other non-current financial assets are valued at their fair value with a profit & loss impact at each closing date.

5-4-2: DETAIL OF OTHER NON-CURRENT FINANCIAL ASSETS

	31 January 2024	31 January 2023 restated
Deposits and guarantees	7.2	3.6
Loans	4.1	3.6
Pension plan net asset	18.9	34.4
Other financial assets	19.0	18.5
TOTAL	49.2	60.1

As of 31 January 2024, the deposits and guarantees include a guarantee deposit for 1.2 million euros related to the liquidity contract (1.4 million euros as of 31 January 2023) and various guarantee deposits paid, in particular for rental leases.

The loans mainly include loans granted to the automated packaging solutions business buyers, as part of the divestment processes.

The Group has a pension plan in the United Kingdom that shows a surplus of 16.4 million euros (14.0 million pounds sterling) at 31 January 2024 compared with 31.1 million euros (27.4 million pounds sterling) at 31 January 2023. The change in the pension plan's net assets is mainly related to actuarial

differences. The tax rate applicable for the cash refund of this asset in the United Kingdom will be 35%. This tax effect is presented in the consolidated financial statements under deferred tax liabilities.

The other financial assets include the investment realized by Quadient for the benefit of the professional private equity funds X'Ange 2, X'Ange 4 and Partech Entrepreneurs. These assets are valued at their fair value as of 31 January 2024.

5-4-3: OFF-BALANCE SHEET COMMITMENTS RELATING TO FINANCIAL ASSETS

Quadient S.A. has an investment commitment with X'Ange 4 for an amount of 2.6 million euros as of 31 January 2024.

5-5: Impairment test

5-5-1: IMPAIRMENT TEST METHOD

Impairment tests compare the recoverable amount of a non-current asset with its net carrying amount. If the asset's carrying amount is higher than its recoverable amount, it is written down to its recoverable amount. The recoverable amount of an asset or group of assets is the highest of its fair value less disposal costs and its value in use.

Fair value less disposal costs is determined using available information to establish the best estimate of the disposal price net of the costs necessary to carry out the sale in an arm's length transaction between knowledgeable, willing parties.

Value in use corresponds to the present value of the future cash flows expected to be derived from an asset or group of assets, taking into accounts its residual value.

Goodwill

Goodwill is tested for impairment at least once a year and whenever there is any evidence of impairment. Goodwill is tested for impairment at the level of the Cash Generated Units (CGU) or group of CGUs defined by the Group. A CGU is a business unit generating independent cash flows.

Given the fact that having a reliable basis to determine the fair value less reliable costs of an asset or a group of assets is rare, unless otherwise indicated, the Group uses the value in use to measure the recoverable amount of an asset or group of assets.

The value in use of each CGU or group of CGUs is determined as follows:

- the Group projects future cash flows based on financial projections over five years. Industrial margins and net assets are reallocated to the countries where the

equipment in question is installed and leasing margins and net assets are reallocated to the countries where the signatories of finance lease contracts are located. Costs for support incurred (holding, IT, human resources...) are reallocated to the Group's CGU or group of CGUs on the basis of their revenue;

- beyond this explicit time frame, the terminal value is calculated by applying a perpetuity growth rate to the latest cash flow;
- the cash flows are then discounted. The discounting rates are determined according to the business and the geographical area considering, if necessary, a specific risk premium.

Goodwill impairment is recognized under operating expenses. Such impairment is not reversible.

Other tangible and intangible fixed assets

Other tangible and intangible fixed assets are tested for impairment only if evidence of an impairment is noted.

A loss of value related to any other asset except goodwill can be reversed if there is any evidence that a loss of value previously recognized is likely to no longer exist or to have diminished. If this is the case, the book value of the asset is raised to the level of its recoverable amount. The increased book value following reversal of a loss of value cannot exceed the book value that would have been determined, net of depreciation, if no loss of value had been recognized on the asset in previous years. After recognition of a reversal of loss of value, the depreciation charge is adjusted for future periods so that the revised book value of the asset minus its possible residual value is spread systematically over the remaining useful life of the asset.

5-5-2: GOODWILL IMPAIRMENT TEST

Goodwill is tested for impairment based on value in use as of 31 January 2024.

For the main cash-generating units or group of CGUs, the following assumptions were used:

	EBITDA average growth rate over 5 years	Sales average growth rate over 5 years	Average growth rate to perpetuity	Discount rate
MRS North America	(3.4)%	(0.5)%	(2.0)%	7.0%
MRS Main European countries	(0.6)% - < (2.0)%	< (2.0)%	(2.0)%	6.8% - 7.6%
MRS International	< (2.0)%	(5.0)%	(2.0)%	7.2%
ICA North America	> 10%	> 10%	2.0%	9.3%
ICA Main European countries	4.2% - > 10%	5.5% - > 10%	2.0%	8.8% - 9.5%
ICA International	> 10%	7.9%	2.0%	9.3%
PLS North America	> 10%	> 10%	2.0%	7.8%
PLS Main European countries	> 10%	> 10%	2.0%	8.3%

Impairment test of the goodwill

The annual impairment test performed for the end of 2023 financial year enabled the Group to ensure that there was no impairment loss to be recognized on its goodwill.

The goodwill depreciation amounts to 126.5 million euros as of 31 January 2024 compared with 127.9 million euros as of 31 January 2023. The cumulative depreciation concerns the Nordic countries, MRS United Kingdom - Ireland and MRS Germany - Austria - Italy - Switzerland.

Sensitivity

Sensitivity tests have been performed on the different assumptions used for the goodwill impairment test: (i) the EBITDA average growth rate over 5 years (ii) the infinite growth rate and (iii) the weighted average cost of capital to determine at which rates the valuation of goodwill becomes equal to the value of the discounted cash flow.

The results of these tests are presented in the table below for the main CGU or groups of CGUs:

	Breaking point		Discount rate
	EBITDA average growth rate over 5 years	Infinite average growth rate	
MRS North America	(14.5)%	(17.4)%	14.2%
MRS Main Europeans countries	(1.6)% - (13.9)%	(2.6)% - (5.7)%	8.0 % - 9.6%
ICA North America	16.1%	(3.6)%	13.0%
ICA Main Europeans countries	1.2% - 6.5%	<(20.0)% - 0.5%	9.9 % - > 20.0%
ICA International	4.7%	(15.0)%	17.9%
PLS North America	19.9%	(4.7)%	12.6%

With the exception of MRS United Kingdom - Ireland, in key assumptions, any reasonably possible change of one parameter at a time cannot lead to a recoverable value of CGU or group of CGUs becoming equal to its carrying amount.

NOTE 6 OPERATING DATA**6-1: Sales****6-1-1: ACCOUNTING PRINCIPLES**

In accordance with IFRS 15, sales are measured at the fair value of the consideration received, net of any trade discount and volume rebates and excluding any VAT or other taxes. Sales are recognized at the date on which the Group fulfils the performance obligations attached to the contract.

Lease of mailroom equipment

The Quadient Group rents equipment to its customers in France, the United States and Canada under leases in which the Group does not transfer the control of the assets. Leases are generally for periods of one to five years. As the performance obligations are not separated, the lease and corresponding maintenance costs are normally billed in advance, the lease component for the period ended is recorded in sales. The balance is shown in deferred income.

Equipment sales

Equipment sales are mainly recognized when the goods are shipped. This reflects the transfer of control between the buyer and the seller of major risks and benefits inherent to the ownership of the item because:

- the lead times between shipping, delivery and installation are very short;
- the products are most often installed directly by the customer;
- the return rate after shipping is very low.

Finance leases

Quadient has leasing subsidiaries in Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States.

These subsidiaries provide leasing services exclusively to Quadient customers that relate solely to Quadient products. When a customer of a Quadient distribution company chooses to finance the acquisition of equipment *via* a leasing company, the Group recognizes an equipment sale and records as an asset an amount equal to the net present value of the lease payments receivable over the term of the financing. Financial income is then recognized in sales on the basis of interest actually received over the term of the financing. Refinancing costs are recorded as financial expenses.

The accounting treatment for the lease financing activity of these companies is justified by the fact that the Group transfers to its customers the control of the assets in question. This accounting treatment has not been called into question with the application of IFRS 16.

As a supplement to this finance lease activity, Quadient offers financing solutions on franking in the United States and in the United Kingdom.

Maintenance contracts

The Group companies may be required to carry out, among other things, preventive maintenance work and repairs on its products. These operations are conducted under maintenance contracts and are invoiced to customers at the start of the contract. Revenue relating to leases and maintenance are presented under deferred income and recognized as sales on a *pro rata* basis, reflecting the degree of progress of the service provision.

Software and associated services

The Group derives revenues from the following sources:

- software license sales;
- pay-per-click software or solutions right of use;
- maintenance (help desk services and rights to future product enhancements);
- software implementation and support services.

The Group begins to recognize revenue once the arrangements are signed and as long as all the following conditions are met:

- the Group has signed a contract with a customer;
- the software or service has been delivered or made available;
- licence fees are fixed and there are no uncertainties on the completion of the contract;
- revenue collection is probable.

Software license sales

Software license revenue comprises all amounts invoiced related to the right to use the software, either through an initial license or through the purchase of additional modules or user rights. This kind of license transfers a right of use of intellectual property as it stands at the time of the license grant. The revenue is thus recognized when the performance obligations are satisfied which means the source code is provided. In the pay-per-click mode, the revenue is recognized on actual consumption. The customer benefits from a combined offer with access to the license, potential updates imposed on the customer and maintenance. These performance obligations are not separated, and the revenue is recognized on a straight-line basis as services are being delivered throughout the contract duration. At the end of the contract, the customer no longer has access to the solution.

Software maintenance

Software maintenance is included in most software license contracts and is generally priced as a percentage of the initial software license fees. Maintenance provides customers with rights to non-critical software upgrades, maintenance enhancements and access to the help desk during the term of the contract. Revenue is recognized on a straight-line basis over the term of the contract.

Professional services

Software implementation and support services represent revenue from consulting and implementation services sold

separately under professional service contracts. Professional service contracts are accounted for on a percentage-of-completion basis based on the number of hours incurred over the period as a proportion of the total number of hours provided for in the contract. These estimates are continually re-evaluated and revised, when necessary, at each reporting date. Any adjustments to revenue and margins due to changes in estimates are accounted for in the period in which the change in estimates occurs. When estimates indicate that a loss will be incurred on a contract upon completion, a provision for the expected loss is recorded in the period in which the loss becomes evident.

6-1-2: SALES BREAKDOWN

• By business – Group sales

Group sales are composed of three revenue categories: (1) Mail Related Solutions, (2) Intelligent Communication Automation, and (3) Parcel Locker Solutions. In 2022, a fourth

category was presented, "Other activities", that included the graphics activities and the other shipping software solutions, both divested in June 2022.

	31 January 2024	31 January 2023 restated
Mail-Related Solutions	728.9	747.4
Intelligent Communication Automation	245.0	227.1
Parcel Locker Solutions	88.5	91.3
Other activities*	-	5.3
TOTAL	1,062.4	1,071.1

* Other activities include the graphics activities and the other shipping software solutions, both divested in June 2022.

• By type of revenue

	31 January 2024	31 January 2023 restated
Equipment and license sales	278.1	286.9
Recurring revenue *	668.8	649.2
Rental revenue	115.5	135.0
TOTAL	1,062.4	1,071.1

* Recurring revenue mainly comprises maintenance, professional services and software right-of-use.

• By geographic area

	31 January 2024	31 January 2023 restated
France - Benelux	181.3	181.0
North America	607.5	598.9
Germany - Austria - Switzerland - Italy - United Kingdom - Ireland	172.2	181.4
International*	101.4	109.8
TOTAL	1,062.4	1,071.1

* International correspond to export sales, Parcel Locker Solutions in Japan and Intelligent Communication Automation outside the geographic areas above-mentioned.

6-2: Accounts receivable and lease receivables

6-2-1: ACCOUNTING PRINCIPLES

Accounts receivable are recognized and recorded at the initial amount of the invoice. Accounts receivable may be written down for impairment. Depreciation is recognized as soon as a credit loss is expected. Expected credit losses are

estimated taking into account historical loss experience, the age of the receivable and a detailed risk assessment. Unrecoverable receivables are recognized as losses when they are identified as such.

6-2-2: RECEIVABLES DETAIL

	31 January 2024	31 January 2023 restated
Accounts receivable		
Gross value	254.4	253.4
Depreciation	(26.6)	(33.1)
Total	227.8	220.3
Lease receivables		
Short term	242.3	246.2
Long term	363.2	358.3
Gross value	605.5	604.5
Depreciation	(7.6)	(9.6)
Total	597.9	594.9
TOTAL	825.7	815.2

6-2-3: RECEIVABLE OVERDUE

	31 January 2024	31 January 2023 restated
Accounts receivable – Gross value		
Not overdue	128.9	135.1
Overdue:	125.5	118.3
• <30 days	43.0	45.2
• 31-60 days	15.8	18.4
• 61-90 days	13.8	14.7
• 91-180 days	13.2	14.3
• 181-360 days	15.4	10.6
• >360 days	24.3	15.1
TOTAL	254.4	253.4

Credit risk is limited because of the diversity and the very high number of customers, as well as the low unit value of each contract.

6-2-4: ACCOUNTS RECEIVABLE DEPRECIATION

	31 January 2024
Accounts receivable – Depreciation	
Opening depreciation - restated	33.1
Charges	2.1
Used	(3.1)
Not used	(1.5)
Reclassification in assets held for sale	(4.1)
Other	(0.1)
Translation difference	0.2
TOTAL	26.6

6-2-5: FINANCING LEASES

	31 January 2024	31 January 2023 restated
Non-current receivables		
Financing leases – gross receivables	448.4	411.0
Unearned financial income	(85.2)	(52.7)
Total	363.2	358.3
Current receivables		
Financing leases – gross receivables	290.7	274.8
Unearned financial income	(48.4)	(28.6)
Total	242.3	246.2
Gross receivables on financing leases		
Less than one year	290.7	274.8
Between one and five years	445.5	408.5
More than five years	2.9	2.5
Total gross value	739.1	685.8
Unearned financial income on financing leases	(133.6)	(81.3)
Net investment in financing leases		
Less than one year	242.3	246.2
Between one and five years	360.3	355.0
More than five years	2.9	3.3
TOTAL	605.5	604.5

6-2-6: BREAKDOWN BY MATURITY

	31 January 2024	<1 year	1 to 5 years	>5 years
Accounts receivable - gross	254.4	254.4	-	-
Lease receivables - gross				
Short term	242.3	242.3	-	-
Long term	363.2	-	360.3	2.9
	605.5	242.3	360.3	2.9
TOTAL	859.9	496.7	360.3	2.9

Depreciation on trade receivables is not broken down by maturity. However, the amount is relatively low and corresponds mainly to receivables of over 180 and 360 days.

Depreciation on lease receivables is not broken down by maturity. It is, however, not significant when compared to the amount of receivables.

	31 January 2023 restated	<1 year	1 to 5 years	>5 years
Accounts receivable - gross	253.4	253.4	-	-
Lease receivables - gross				
Short term	246.2	246.2	-	-
Long term	358.3	-	355.0	3.3
	604.5	246.2	355.0	3.3
TOTAL	857.9	499.6	355.0	3.3

6-2-7: BREAKDOWN BY CURRENCY

	31 January 2024	EUR	USD	CAD	GBP	CHF	NOK	SEK	JPY	DKK	AUD	Other
Accounts receivable - gross	254.4	84.7	114.2	8.7	22.8	12.6	0.4	1.8	3.0	0.5	1.5	4.2
Lease receivables - gross												
Short term	242.3	32.3	172.5	2.8	22.4	4.1	2.0	1.4	0.1	0.5	4.2	-
Long term	363.2	65.6	237.0	5.0	31.2	8.2	4.0	2.9	0.1	0.9	8.3	-
	605.5	97.9	409.5	7.8	53.6	12.3	6.0	4.3	0.2	1.4	12.5	-
TOTAL	859.9	182.6	523.7	16.5	76.4	24.9	6.4	6.1	3.2	1.9	14.0	4.2

The column "Other" groups the following currencies: Singapore dollar, Indian rupee, Czech koruna, Polish zloty, Brazilian real, Chinese yuan, Hungarian florin and New Zealand dollar.

	31 January 2023 restated	EUR	USD	CAD	GBP	CHF	NOK	SEK	JPY	DKK	AUD	Other
Accounts receivable - gross	253.4	94.8	108.6	9.4	23.7	7.7	0.8	1.5	1.2	0.5	1.6	3.6
Lease receivables - gross												
Short term	246.2	38.3	171.0	2.5	22.1	3.2	1.0	1.1	0.1	1.0	5.9	-
Long term	358.3	70.5	226.4	4.7	34.2	7.6	2.1	2.3	0.1	1.4	9.0	-
	604.5	108.8	397.4	7.2	56.3	10.8	3.1	3.4	0.2	2.4	14.9	-
TOTAL	857.9	203.6	506.0	16.6	80.0	18.5	3.9	4.9	1.4	2.9	16.5	3.6

6-3: Current operating income and EBITDA

6-3-1: ACCOUNTING PRINCIPLES

Gross margin is defined as the difference between sales and cost of sales.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is determined by adding to the current operating profit the amount of depreciation and amortization of fixed assets.

Cost of sales

Cost of sales consists of production-related direct costs (purchases, labor) plus depreciation of equipment rented to customers and sales-related transport and logistics costs.

Research and development expenses

Research and development expenses comprise the cost of carrying out research work, including depreciation of equipment used in this activity.

These costs are expensed in the year in which they are incurred, and are clearly identified in the income statement.

Development expenses that meet the capitalization criteria are presented in the balance sheet under intangible fixed assets (see note 5-2-2 on intangible fixed assets) and are then amortized.

Sales and marketing expenses

Sales and marketing expenses include the costs of sales departments, including advertising and promotion costs, and the cost of selling supplies.

6-3-2: GROSS MARGIN AND EBITDA CALCULATION

	31 January 2024		31 January 2023 - restated	
	Gross value	In %	Gross value	In %
Sales	1,062.4	100.0%	1,071.1	100.0%
Cost of sales	(274.4)	(25.8)%	(286.0)	(26.7)%
Gross margin	788.0	74.2%	785.1	73.3%
Current operating expenses	(641.3)	(60.4)%	(644.7)	(60.2)%
Current operating profit	146.7	13.8%	140.4	13.1%
Amortization of fixed assets	97.7	9.2%	99.6	9.3%
EBITDA	244.4	23.0%	240.0	22.4%

6-4: Breakdown of expenses by category

	31 January 2024	31 January 2023 restated
Cost of inventories recognized as expenses	262.7	257.2
Wages, bonuses, commissions and payroll charges	451.0	454.0
Rents and associated costs	5.0	5.5
Fees	45.0	42.1
Transport and travel	26.6	26.3
Fixed assets – depreciation and amortization	98.4	99.8
Other	27.0	45.8
Total expenses by category	915.7	930.7
Cost of sales	274.4	286.0
Operating expenses	641.3	644.7
TOTAL	915.7	930.7

6-5: Inventories and work in progress**6-5-1: ACCOUNTING PRINCIPLES**

Inventories and work in progress are measured at the lowest of the cost or replacement value (for purchased goods) or the cost of full production (for produced goods) and must not exceed the net realizable value.

Cost price is calculated using the weighted average cost method.

Depreciation is calculated on the basis of inventory turnover and the obsolescence of equipment and goods.

The intra-Group margin generated by industrial subsidiaries on equipment sold to the distribution subsidiaries which store this equipment is eliminated.

6-5-2: INVENTORIES BY CATEGORIES

	31 January 2024			31 January 2023 - restated		
	Gross value	Depreciation	Net	Gross value	Depreciation	Net
Raw materials and supplies	33.4	(6.4)	27.0	37.1	(5.9)	31.2
Spare parts	3.4	(1.2)	2.2	2.7	(1.1)	1.6
Finished and semi-finished goods	44.1	(6.0)	38.1	56.9	(6.8)	50.1
TOTAL	80.9	(13.6)	67.3	96.7	(13.8)	82.9

6-5-3: CHANGES IN INVENTORIES

	31 January 2024	
	Gross value	Depreciation
Opening - restated	96.7	(13.8)
Net inventory entries (exit)	(12.5)	-
Charges	-	(1.3)
Reversals	-	1.1
Reclassification in assets held for sale	(0.8)	0.2
Other	(2.8)	0.2
Translation difference	0.3	0.0
TOTAL	80.9	(13.6)

6-6: Other operating liabilities

The other operating liabilities for an amount of 172.7 million euros as of 31 January 2024 compared with 191.8 million euros as of 31 January 2023 mainly comprise customer credit

balances, debts to employees and deposits made by customers in relation to postage prepayment.

6-7: Expenses and gains related to acquisitions

Transaction costs related to acquisitions are recorded under current operating expenses and presented on a separate line entitled "Expenses related to acquisitions".

This line includes consultants' fees and amortization of intangible assets at the time of purchase price allocation.

	31 January 2024	31 January 2023 restated
Consultants' fees and other expenses related to acquisitions	4.1	3.2
Amortization of intangible fixed assets after purchase price allocation	6.6	7.2
EXPENSES RELATED TO ACQUISITIONS	10.7	10.4

6-8: Structure optimization expenses - net of reversals

The Group pursued the optimization of its structure. An expense of 12.6 million euros, net of an unused provision reversal of 0.3 million euros, is recorded in this regard in 2023, compared with an expense of 22.9 million euros in 2022. This

expense mainly includes costs incurred by the implementation of certain initiatives related to reorganizations within the Group, expenses related to workforce reduction and expenses related to the closed sites.

6-9: Other operational expenses and income

In 2023, the 1.9 million euros of other non-current operational expenses mainly include the fees related to the investigation being conducted in Italy and Switzerland in the second half of 2023.

In 2022, the other operational expenses for an amount of 1.8 million euros mainly included the 0.6 million euros loss related to the divestment of the graphics activities in the Nordic countries and the loss of 0.4 million euros related to the sale of the Shipping activity.

6-10: Off-balance sheet commitments related to operational activities

Quadient has a bank guarantee in favor of the Irish postal service for 1.7 million euros.

NOTE 7 SEGMENT INFORMATION

In 2022, the Group redefined its operational segments according to IFRS 8 focusing on its three solutions:

(1) MRS (Mail Related Solutions) which encompasses the historical business of the Group. Quadient supplies software, equipment and services to cover the entire process of managing incoming and outgoing mail.

(2) ICA (Intelligent Communication Automation) which encompasses Quadient's cloud solutions that support businesses in customer communications management and customer experience management, including the journey

analysis and orchestration, as well as accounts receivables and accounts payables automation.

(3) PLS (Parcel Locker Solutions), the activity which enables Quadient to provide and operate an automated parcel locker network for smart, secure pick-up and drop-off, offering users convenience and peace of mind.

A fourth segment is presented in 2022, the other solutions. This segment groups the graphic activities and the other shipping software solutions. These activities have been sold in June 2022.

Quadient's net income breaks down by segment as follows:

	MRS	ICA	PLS	31 January 2024
Sales	728.9	245.0	88.5	1,062.4
Segment income	177.2	0.8	(20.6)	157.4
in percentage	24.3%	0.3%	(23.3)%	14.8%
Expenses related to acquisitions				(10.7)
Current operating income				146.7
Structure optimization expenses				(12.6)
Proceeds from net assets sales				(0.0)
Other operational expenses and income				(1.9)
Goodwill impairment				-
Operating income				132.2
Financial result				(31.2)
Share of results of associated companies				(0.4)
Income taxes				(16.7)
NET INCOME FROM CONTINUING OPERATIONS				83.9
Net income from discontinued operations				(13.7)
CONSOLIDATED NET INCOME				70.2

	MRS	ICA	PLS	Other solutions	31 January 2023 restated
Sales	747.4	227.1	91.3	5.3	1,071.1
Segment income	186.7	(10.2)	(25.4)	(0.3)	150.8
in percentage	25.0%	(4.5)%	(27.8)%	(5.7)%	14.1%
Expenses related to acquisitions					(10.4)
Current operating income					140.4
Structure optimization expenses					(22.9)
Proceeds from net assets sales					0.0
Other operational expenses and income					(1.8)
Goodwill impairment					(48.5)
Operating income					67.2
Financial result					(35.5)
Share of results of associated companies					0.9
Income taxes					(16.7)
NET INCOME FROM CONTINUING OPERATIONS					15.9
Net Income from discontinued operations					(0.1)
CONSOLIDATED NET INCOME					15.8

Transfer prices between divisions are the prices that would have been set under normal competitive conditions, as for a transaction with third parties.

The financial result is mainly due to the financial costs associated with each line of debt. The breakdown of the impacts of hedge accounting is presented in note 12 for the portion of derivative financial instruments related to foreign exchange and interest rates.

The balance sheet breaks down by segment as follows:

	MRS	ICA	PLS	Other	31 January 2024
Segment assets	1,735.1	527.7	178.8	108.0	2,549.6
TOTAL ASSETS					2,549.6
Segment liabilities	464.4	165.0	67.4	783.8	1,480.6
Equity					1,069.0
TOTAL LIABILITIES					2,549.6

	MRS	ICA	PLS	Other	31 January 2023 restated
Segment assets	1,751.2	535.4	179.8	132.8	2,599.2
TOTAL ASSETS					2,599.2
Segment liabilities	497.6	163.6	71.6	836.8	1,569.6
Equity					1,029.6
TOTAL LIABILITIES					2,599.2

The column "Other" includes the net indebtedness of Quadiant S.A., factories and supply chain assets and liabilities as well as some assets and liabilities that cannot be allocated to an operational segment. These assets and liabilities are not allocated to the different operational

segments as only an allocation based on the total sales could be done. However, that would generate, year-on-year, variations potentially significant for specific geographical areas, without a direct connection to their own performance.

Other segment items break down by sector as follows:

	MRS	ICA	PLS	Other	31 January 2024
Investments of the period					
Tangible fixed assets	32.4	0.8	18.7	-	51.9
Intangible fixed assets	9.4	19.8	6.5	-	35.7
Investments	41.8	20.6	25.2	-	87.6
Assets right-of-use	11.5	1.5	0.5	-	13.5
TOTAL INVESTMENTS	53.3	22.1	25.7	-	101.1
Amortization of the period					
Tangible fixed assets	28.1	0.8	13.5	-	42.4
Intangible fixed assets	8.7	30.6	3.3	-	42.6
Amortization	36.8	31.4	16.8	-	85.0
Assets right-of-use	10.5	1.9	0.3	-	12.7
TOTAL AMORTIZATION	47.3	33.3	17.1	-	97.7

	MRS	ICA	PLS	Other	31 January 2023 restated
Investments of the period					
Tangible fixed assets	26.3	0.7	11.7	-	38.7
Intangible fixed assets	8.8	24.1	6.4	-	39.3
Investments	35.1	24.8	18.1	-	78.0
Assets right-of-use	5.7	3.2	0.4	-	9.3
TOTAL INVESTMENTS	40.8	28.0	18.5	-	87.3
Amortization of the period					
Tangible fixed assets	29.4	0.8	11.8	-	42.0
Intangible fixed assets	8.5	29.8	2.7	-	41.0
Amortization	37.9	30.6	14.5	-	83.0
Assets right-of-use	14.5	1.9	0.3	-	16.7
TOTAL AMORTIZATION	52.4	32.5	14.8	-	99.7

NOTE 8 ASSETS RIGHT-OF-USE AND LEASE OBLIGATIONS

IFRS 16 requires the lessees to recognize an asset right-of-use and a lease obligation, without differentiating between operating leases and finance leases.

The first application has been done using the simplified retrospective approach, the details concerning the impacts of the first application on the financial statements are exposed in the note 2-1 of 2019 universal registration document.

For Quadient, the contracts within the scope of IFRS 16 are mainly real estate leases and car rentals.

Quadient applies the exemptions allowed by IFRS 16, in

particular to not recognize contracts that cover a period of less than twelve months and leases for which the underlying asset is of a low value. The application of IFRS 16 to lease contracts on intangible assets is an option that the Group chose not to pursue.

In order to assess the residual duration for real estate leases, the Group has made an analysis of its sites, to consider renewals reasonably certain to be exercised. This duration is in general nine years concerning the French contracts. The Group called upon the services of an external company to determine the discount rates to be applied on leases, reflecting the geographical area and the remaining life of the lease.

As of 31 January 2024, the impacts of IFRS 16 application in the income statement, cash flow statement and balance sheet are as follows:

■ IMPACTS ON THE INCOME STATEMENT

	31 January 2024	31 January 2023 restated
Cancellation of rent expenses	14.0	20.8
Amortization expenses	(12.7)	(16.7)
EBIT impact	1.3	4.1
Amortization of the period	12.7	16.7
EBITDA impact	14.0	20.8
Financial interests	(1.6)	(1.9)
Other operational expenses *	3.5	(9.5)
NET INCOME IMPACT	3.2	(7.3)

* This line includes the impacts related to the closed sites.

■ IMPACTS ON THE CASH FLOW STATEMENT

	31 January 2024	31 January 2023 restated
Net income	3.2	(7.3)
Amortization and impairment of closed sites	12.7	26.2
Net cost of debt	1.6	1.9
Interests paid	(1.6)	(1.9)
Other	1.2	0.7
Net cash flow from operating activities	17.1	19.6
Impact of changes in the assets right-of-use	(13.5)	(9.4)
Net cash flow from investing activities	(13.5)	(9.4)
Repayment of lease obligations	(3.6)	(10.2)
Net cash flow from financing activities	(3.6)	(10.2)
CHANGE IN NET CASH	-	-

■ TABLES OF VARIATIONS OF THE ASSETS RIGHT-OF-USE AND THE LEASE OBLIGATIONS

As of 31 January 2024, the net assets right-of-use amounts to 30.4 million euros.

	Buildings	Other intangible assets	Assets right-of-use
Gross value at 31 January 2023 - restated	107.3	27.3	134.6
New contracts/renewals	10.1	3.4	13.5
Other changes *	(11.3)	(1.2)	(12.5)
Translation differences	(0.2)	-	(0.2)
Gross value at 31 January 2024	105.9	29.5	135.4
Amortization at 31 January 2023 - restated	(82.3)	(21.0)	(103.3)
Charges	(8.8)	(3.9)	(12.7)
Other changes *	9.9	0.9	10.8
Translation differences	0.2	-	0.2
Amortization at 31 January 2024	(81.0)	(24.0)	(105.0)
NET BOOK VALUE AT 31 JANUARY 2024	24.9	5.5	30.4

* Other changes mainly concern terminated contracts or contracts not renewed in 2023 and the leases of Quadient Italy presented in assets held for sale.

As of 31 January 2024, the lease obligations amount to 46.1 million euros including 31.5 million euros of long-term portion.

	31 January 2023 - restated	Debt modification	Reimburse-ments	Translation differences	Other variations*	31 January 2024
Non-current lease obligations	34.2	11.4	-	(0.0)	(14.1)	31.5
Current lease obligations	16.3	2.1	(17.1)	-	13.3	14.6
LEASE OBLIGATIONS	50.5	13.5	(17.1)	(0.0)	(0.8)	46.1

* Other variations are mainly related to reclassifications and the presentation of Quadient Italy's leases in liabilities held for sale.

NOTE 9 CASH FLOW DETAILS

Cash flows correspond to consolidated balance sheet items. However, these flows may differ from balance sheet changes in particular due to the translation of operations in

foreign currencies, translation of subsidiaries' financial statements denominated in foreign currencies and changes in the scope of consolidation.

9-1: Expenses (income) with no cash effect or with cash effect below operating activities

	31 January 2024	31 January 2023 restated
Amortization of fixed assets	97.7	99.6
Addition to (reversal of) provisions	(4.9)	(6.1)
(Gains) and losses on changes in fair value	2.2	8.6
(Proceeds) expenses from share-based payments	0.8	2.3
Goodwill impairment	-	48.5
Other	13.2	11.7
TOTAL	109.0	164.6

As of 31 January 2024, the line addition to (reversal of) provisions variation mainly relates to reversals on assets depreciation for an amount of (0.8) million euros and to reversals on provisions presented in liabilities for (5.7) million euros.

As of 31 January 2023, the line addition to (reversal of) provisions variation mainly related to reversals on assets depreciation for an amount of (5.8) million euros and to reversals on provisions presented in liabilities for (0.2) million euros.

The line "Gains and losses in fair value" includes the financial

result items with no cash effect and in particular the increase of the fair value of the investments realized by Quadient for the benefit of the professional private equity funds X'Ange 2 and Partech Entrepreneurs.

As of 31 January 2024, the line "Other" mainly includes the depreciation of assets held for sale, the exit costs from discontinued operations recognized as liabilities held for sale, and research tax credit. As of 31 January 2023, the line "Other" mainly included the impairment of the sites closed in 2022 for an amount of 9.5 million euros and the research tax credit for an amount of (1.3) million euros

9-2: Changes in working capital

	31 January 2024	31 January 2023 restated
Inventories variation	13.0	(16.9)
Trade accounts receivable variation	(4.6)	(2.4)
Deferred income variation	5.7	9.3
Trade payables variation	(4.1)	(2.8)
Other current assets and liabilities variation	(15.8)	(26.7)
TOTAL	(5.8)	(39.5)

The change in the other current assets and liabilities is mainly explained by timing differences on prepayments and other debts.

9-3: Impact of changes in scope

As of 31 January 2024, the net impact of changes in scope is a disbursement of 4.8 million euros entirely related to the acquisition of Daylight Automation in September 2023.

As of 31 January 2023, the impact of changes in scope was a net cash collection of 2.7 million euros which mainly relates (i) to the divestments of the graphic activities in the Nordic countries and the Shipping activity, which have generated a net cash collection of 1.6 million euros, and (ii) the collection, for an amount of 1.4 million euros, of the first portion of the additional purchase price of the automated packaging solutions business.

9-4: New borrowings and repayment of borrowings

In February 2023, Quadient reimbursed a private placement under German law *Schuldschein* for 57.0 million euros.

In May 2023, Quadient reimbursed a private placement under German law *Schuldschein* for 1.0 million euros.

In June 2023, Quadient renewed its revolving credit facility with its pool of banks for a total amount of 300.0 million euros with a maturity of June 2028.

On 20 June 2023, Quadient issued a Stimulus Participating Loan (*Prêt Participatif Relance*) for an amount of 90.0 million euros.

Between Octobre 2023 and January 2024, Quadient has proceeded to several partial purchase under the notes issued by Quadient on the 23 January 2020 for an amount of 325.0 million euros at a rate of 2.25% due 3 February 2025. The total nominal amount purchased by Quadient is 57.4 million euros. The outstanding nominal amount is 267.6 million euros on 31 January 2024.

9-5: Reconciliation of the liabilities flows coming from financing activities

	31 January 2023 restated	Cash-flow movements		Non-cash changes		31 January 2024
		New debt	Repayment	Other *	Translation difference	
Non-current financial debt	729.7	90.1	(100.5)	(3.6)	(0.9)	714.8
Current financial debt	79.1	0.5	(21.1)	2.8	(0.4)	60.9
FINANCIAL DEBT	808.8	90.6	(121.6)	(0.8)	(1.3)	775.7

* The column "Other" mainly includes reclassifications and the variation of accrued interests not yet due.

NOTE 10 HEADCOUNT AND EMPLOYEE BENEFITS

10-1: Headcount

The breakdown of employees on fixed-term and permanent contracts excluding employees on long-term leave, is as follows:

- By geographic area

	France - Benelux	North America	United Kingdom Ireland	Germany Austria Switzerland Italy	Rest of the world	Total
31 January 2024^(a)	1,227	1,861	721	330	582	4,721
31 January 2023 ^(b)	1,266	1,819	794	379	642	4,900

(a) Full time equivalent headcount.

(b) Number of headcount at the closing date.

- By type of activity

	Sales	Services	Manufacturing	Research & development	Administration	Total
31 January 2024^(a)	1,636	1,059	494	553	979	4,721
31 January 2023 ^(b)	1,659	1,156	462	610	1,013	4,900

(a) Full time equivalent headcount.

(b) Number of headcount at the closing date.

10-2: Employee benefits

Employee benefits are measured in accordance with IAS 19. They comprise short-term benefits, long-term benefits and post-employment benefits.

Group employees are entitled to short-term benefits such as paid vacation, paid sick leave, bonuses and other benefits (other than termination benefits), payable within twelve months of the end of the period in which the corresponding services are rendered by employees. These benefits are recorded in current liabilities and expenses of

the period in which the service is rendered by the employee.

Long-term benefits (during employment), payable before the employee's departure, correspond primarily to long-service bonuses. Post-employment benefits are paid when an employee retires and include retirement bonuses, supplementary pension benefits and coverage of certain medical costs for retired employees and employees on early retirement.

	31 January 2024	31 January 2023 restated
Wages and salaries, bonuses and commissions	356.4	352.7
Social costs	94.3	98.4
Share-based payments	0.8	2.3
Pension expenses under defined contribution plans	(0.5)	0.6
TOTAL	451.0	454.0

10-3: Retirement benefit obligations

10-3-1: ACCOUNTING PRINCIPLES

Group companies participate in pension schemes and other staff benefits in accordance with the laws and customs of each country.

The measurement and accounting policies applied by the Group with respect to these liabilities are in accordance with IAS 19:

- Defined benefit schemes under which the employer guarantees a future level of benefits: the liabilities are measured on the basis of actuarial valuations using the projected unit of credit method. These calculations use assumptions regarding mortality rates, staff turnover and wages, which reflect the economic conditions in each country or for each Group company. The liabilities are recognized under "Provisions for retirement benefit

obligations". Termination benefits are generally lump-sum payments based upon the number of years served by the employee and his/her salary as of retirement or termination of employment. Pension benefits are generally determined using a formula based on the number of years served by the employee and his/her average final earnings;

- Defined contribution schemes: the cost of these schemes is recognized as an expense on the basis of contributions made. These schemes have no legal or constructive obligation to pay further contributions, the employer's obligation is limited to the regular payment of contributions.

10-3-2: OBLIGATION DETAILS

The main retirement obligation for the Group is the obligation for the United Kingdom. This retirement obligation is mainly covered by a pension fund showing a net asset of 16.4 million euros (14.0 million pounds sterling) as of 31 January 2024 compared with 31.1 million euros (27.4 million pounds sterling) as of 31 January 2023. It is accounted for in non-current assets. When a pension plan shows a net asset based on the assumptions used, IAS 19 states that this net asset should only be recognized in the balance sheet if an economic benefit is possible for the Company. Regarding the rules of the pension plan, Quadient has an unconditional repayment right of all the amounts left in the plan after the payment of the last pension to the last member of the pension plan. Quadient considers this to be a sufficient justification to recognize the net asset of the pension fund in the consolidated balance sheet, in accordance with IAS 19/IFRIC 14.

The United Kingdom pension plan has not admitted any new members since 2001 and the rights of its members were frozen in June 2006. Every three years, the British regulator requires a valuation using different assumptions than those used for the valuation under IAS 19. If the valuation requested by the British regulator shows a deficit, Quadient has to make payments to offset it. The valuation performed for the British regulator in June 2020 identifies a non-significant deficit related to the deteriorated economic conditions of the middle of the year 2020. The 2023 assessment has been initiated, and the results will be known before the legal deadline in September 2024. The retirement benefits of French employees are not covered by investments in pension funds except for Quadient France which has subscribed an insurance contract.

	31 January 2024	31 January 2023 restated
Change in value of obligations		
Present value of obligations at start of period	140.4	200.4
Service cost	0.9	1.9
Discounting cost	5.6	4.0
Actuarial (gains) or losses	(1.9)	(52.0)
Payments made	(8.6)	(7.0)
Scope variation	(2.9)	0.1
Other ^(a)	5.2	(7.0)
Present value of liabilities at end of period	138.7	140.4
Change in hedging assets		
Fair value of hedging assets at beginning of period	163.8	240.4
Expected return on plan assets	6.4	4.8
Actuarial gains (losses)	(20.1)	(67.0)
Contributions paid by employer	0.6	0.7
Payments made by fund	(7.8)	(6.5)
Other ^(a)	4.8	(8.6)
Fair value of hedging assets at end of period	147.7	163.8
Financial hedging		
Plans' position	9.0	23.4
of which recognized in assets	18.8	34.4
of which recognized in liabilities	(9.8)	(10.9)
Amount recognized in the consolidated income statements		
Service cost	0.9	1.9
Discounting cost	5.6	4.0
Expected return on plan assets	(6.4)	(4.8)
Total retirement benefit expense	(0.1)	1.1
Amount recognized in the consolidated statements of comprehensive income		
Actuarial (losses)/gains	(18.2)	(15.0)
On obligations	1.9	52.0
On hedging assets	(20.1)	(67.0)
Cumulated actuarial (losses)/gains	(17.4)	0.7
Actuarial assumptions		
Discount rate ^(b)	4.5%	4.5%
Expected long-term inflation rate – Retail Price Inflation (RPI) ^(b)	3.1%	3.4%
Expected long-term inflation rate – Consumer Price Index (CPI) ^(b)	2.5%	2.7%
Expected long-term rate of annuity increases ^(b)	2.9%	3.1%
Breakdown of hedging assets		
Bonds	-	42%
Insurance contracts	86%	-
Other investments	14%	58%

(a) The line "Other" mainly includes translation differences.

(b) The above actuarial assumptions relate to the English subsidiary which alone accounts for more than 79% of the Group's retirement benefit obligations.

10-3-3: CHANGES IN OBLIGATIONS

Group pension liabilities were as follows over the last five years:

	2023	2022	2021	2020	2019
Obligation – present value	138.7	140.4	200.4	211.3	214.0
Fair value of assets	147.7	163.8	240.4	223.9	232.0
Plan (surplus)/deficit	(9.0)	(23.4)	(40.0)	(12.6)	(18.0)
Actuarial (gains)/losses:					
On liabilities	1.9	52.0	16.5	(10.4)	(21.0)
On assets	(20.1)	(67.0)	5.6	5.3	22.5

The discount rates used are based on the yields on bonds issued by high quality companies (AA) or, where the market is not liquid, on government bonds with the same maturity as the calculations and the same currency (reference: Iboxx). These references are compliant with the requirements of IAS 19 and are the same as those used in previous years.

The expected effective return on the Group assets plan is a gain of 4.1% as of 31 January 2024 compared with 3.9% as of 31 January 2023.

Assumptions such as medical expenses of retired employees are not included in this plan. In terms of salary, only the last

salaries at the time the plan was frozen are taken into account, without revaluation (only the annuity is revaluated).

Actuarial differences are systematically recognized in shareholders' equity and reported under the consolidated statement of comprehensive income. The cumulative actuarial difference shows a loss of 17.4 million euros as of 31 January 2024 compared with a gain of 0.7 million euros as of 31 January 2023.

In 2023, the impact related to the French subsidiaries' defined contribution pension plans is a proceed of 0.5 million euros, compared to an expense of (0.6) million euros in 2022.

10-4: Share-based payments**10-4-1: ACCOUNTING PRINCIPLES**

Group employees, including top management, may receive remuneration based on shares. They will ultimately receive equity instruments in return for services rendered. The fair value is determined by an outside consultant using an appropriate valuation method.

The cost of equity-settled transactions with employees is measured at the fair value of the instruments awarded at the vesting date. The cost is recognized over the period in which the performance terms are met and/or the services are rendered, with the balancing entry being an equivalent

increase in equity. The cumulative expense recognized for such transactions at the end of each period until the rights acquisition date reflects the run-off of this acquisition period and the Group's best estimate at that date of the number of instruments to be acquired.

The awarding of these instruments is subject to the beneficiary being on the Company's payroll at the delivery date of the options or free shares and for some of the plans, to the achievement of performance targets. It is not possible to settle these options or these free shares in cash.

10-4-2: FREE SHARE PLANS

Free shares are granted for the purposes of:

- attracting and retaining high potential employees;
- acknowledging exceptional performance;
- fostering strong motivation and commitment to the Company's performance by granting specific free share plans based on the Group's future results.

The fair value of the shares thus granted is calculated based on the share price on the allocation date from which anticipated dividend are deducted. The overall expense was calculated by estimating a number of shares whose ownership will be transferred corresponding to a percentage of the maximum attributable amount. This assumption is considered the most likely on the date of allocation. This expense is spread out over the vesting period. The number of shares is adjusted at each closing date and the expense is revaluated consequently to ensure that the period expense corresponds to the number of shares effectively attributed.

The shares granted with performance conditions are dependent on the performance indicators below:

- growth in consolidated sales;
- current operating margin (current operating income divided by consolidated sales);

- return on capital employed;

- shareholder return (variation in the share price over the period plus dividends compared with the average performance of companies belonging to the same index as Quadient).

The vesting period is three years in one block.

Start date	Number of shares granted	Of which subject to conditions *	Outstanding shares 31/01/2023	Shares granted	Shares delivered	Shares cancelled	Outstanding shares 31/01/2024
15/01/2021	386,000	386,000	318,350	-	(41,123)	(277,227)	-
15/02/2021	6,500	6,500	6,500	-	-	(2,500)	4,000
24/09/2021	385,000	193,690	338,300	-	-	(90,000)	248,300
01/12/2021	3,800	1,450	3,800	-	-	(800)	3,000
01/03/2022	1,000	-	1,000	-	-	-	1,000
01/05/2022	4,600	-	2,600	-	-	(2,600)	-
01/09/2022	433,750	212,340	413,500	-	-	(73,000)	340,500
01/12/2022	5,900	2,010	5,900	-	-	(2,500)	3,400
01/03/2023	2,000	1,500	-	2,000	-	-	2,000
14/08/2023	436,500	211,640	-	436,500	-	(6,000)	430,500

* Shares granted with performance conditions.

10-4-3: CHANGES IN SHARE-BASED PAYMENTS VALUATION

Expenses recorded with respect to the profit-sharing, incentive plans and share-based payments are as follows:

	31 January 2024	31 January 2023	31 January 2022	31 January 2021	31 January 2020
Free share granted valuation	0.8	2.3	0.5	0.2	0.7

10-5: Executive compensation

The main role of the management team is to make strategic decisions for the Group and coordinate their implementation around the world.

The gross remuneration (2023 base salary and target bonus on 2023 objectives) paid to the management team amounted to 5.3 million euros in 2023, compared with 4.4 million euros in 2022.

Variable remuneration is determined on the basis of attaining Group sales, operating income and capital employed targets.

The Group recognized an expense of 0.7 million euros in 2023

in respect of free shares allocation plans granted to the management team, compared with 2.3 million euros in 2022. 113,000 shares were granted to members of the management team during the 2023 financial year compared with 80,000 in the previous year.

With respect to pensions, the Chief Executive Officer, as well as a number of other Group executives, benefit from a defined contribution pension plan (article 83 of the French general tax code), into which is paid a total of 5% of their remuneration, within the limit of five times the social security ceiling.

NOTE 11 PROVISIONS AND CONTINGENT LIABILITIES

11-1: Provisions

11-1-1: ACCOUNTING PRINCIPLES

Provisions are recognized when the following conditions are met simultaneously at the end of the period in question:

- a current obligation (legal, regulatory, contractual or implied) resulting from past events;

- a probability that an outflow of resources will be necessary to extinguish the obligation with no offset expected;

- an amount that can be reliably measured.

Provisions are split on the balance sheet between current and non-current liabilities.

11-1-2: CHANGES IN PROVISIONS

	31 January 2023 restated	Added	Used	Non-used	Other	31 January 2024	Current portion	Non- current portion
Structure optimization	4.0	18.6	(18.0)	(0.1)	(0.0)	4.5	3.6	0.9
Business risk/customer guarantees	0.2	(0.1)	-	(0.0)	-	0.1	0.1	-
Dispute provisions	3.0	1.4	(0.6)	(0.4)	(0.1)	3.3	2.2	1.1
Other provisions	2.0	0.6	(0.6)	(0.4)	(0.3)	1.3	0.9	0.4
Retirement benefit obligations – note 10-3	10.9	0.3	(1.3)	-	(0.1)	9.8	-	9.8
TOTAL	20.1	20.8	(20.5)	(0.9)	(0.5)	19.0	6.8	12.2

Structure optimization

The Group pursues the optimization of its operations.

Provisions totalling 4.0 million euros were booked as of 31 January 2023. In 2023, additional expenses of 18.6 million euros were booked and (18.0) million euros were used.

As of 31 January 2024, the balance of these provisions is 4.5 million euros.

Other

As of 31 January 2024, a total 1.3 million euros (2.0 million euros as of 31 January 2023) is booked under "Other provisions".

11-2: Contingent liabilities

11-2-1: ACCOUNTING PRINCIPLES

Unlike the definition of provision given in note 11-1-1, a contingent liability is:

- either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group;
- or a present obligation that arises from past events but not recognized because it is unlikely that an outflow of

resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized and are described in the notes when they are material, except in the case of business combinations where they are identifiable items that are backed by present obligations and can be estimated reliably.

11-2-2: CONTINGENT LIABILITIES IDENTIFIED

In their everyday activities, Quadient entities in Europe and abroad are regularly subject to tax investigations.

Tax adjustments or uncertain tax positions not yet subject to tax adjustment, are covered by appropriate provisions. The amount of these provisions is regularly reviewed. The Group has not identified any significant contingent liability as of 31 January 2024.

NOTE 12 FINANCIAL INSTRUMENTS, FINANCIAL DEBTS AND RISK MANAGEMENT

Financial assets are divided in three categories: financial assets at amortized cost, financial assets at fair value through equity and financial assets at fair value through profit and loss. This classification is based on the management objectives applied to the asset by the Group and on the contractual cash flow characteristics.

The Group classifies its assets according to the following categories:

- financial assets at amortized costs: the Group classifies here the lease receivables, the trade receivables and other receivables, the loans and deposits, the receivables attached to non-consolidated investments and cash and cash equivalents. These assets are booked using the effective interest rate method which means initially at their fair value (acquisition cost including transaction costs). Lease receivables are analyzed and valued using the expected credit losses method;

- financial assets at fair value: the Group classifies in this category the equity instruments owned by the Group, which means investments in companies over which the Group does not have control or any significant influence. Those are booked at fair value through profit and loss or through equity, depending on the option chosen by the Group. None of the investments in non-consolidated companies are held for trading purposes.

Quadiënt's financing strategy is coordinated by the Group finance department. All Group exposure to interest rate and exchange rate risks is centralized within the Group cash management department.

Financial instruments mentioned in note 12, especially those presented in table 12-1, are level 2 financial instruments, whose fair value is based on observable data.

12-1: Breakdown of the balance sheet by financial instrument

	31 January 2024		Breakdown by instrument category			
	Book value	Fair value	Fair value through P&L	Loans and receivables/debts	Debts at amortized costs	Derivative instruments
Non-current financial assets	55.8	55.8	17.2	32.0	-	6.6
Lease receivables ^(a)	597.9	578.6	-	597.9	-	-
Other long-term receivables	2.0	2.0	-	2.0	-	-
Receivables ^(b)	227.8	227.8	-	227.8	-	-
Other receivables ^(b)	9.3	9.3	-	9.3	-	-
Derivative financial instruments ^(c)	2.1	2.1	-	-	-	2.1
Cash and cash equivalents ^(d)	117.6	117.6	-	117.6	-	-
ASSETS	1,012.5	993.2	17.2	986.6	-	8.7
Financial debts and bank overdrafts ^(e)	780.8	671.4	-	-	780.8	-
Other long-term debts	1.7	1.7	-	1.7	-	-
Accounts payable ^(b)	79.2	79.2	-	79.2	-	-
Other operating liabilities ^(b)	172.7	172.7	-	172.7	-	-
Derivative financial instruments ^(c)	4.7	4.7	-	-	-	4.7
LIABILITIES	1,039.1	929.7	-	253.6	780.8	4.7

(a) Due to the large number of deals handled by the leasing entities, the Group could not perform an individual valuation for each deal. The assumptions used are the following: average maturity of three years for the portfolio, yield curve ending on 31 January 2024 and constant exchange rate. The valuation is performed excluding credit spread. The British and American postage financing portfolios are comprised of very short-term maturities (less than one month) and renewable credits, the fair value considered is the same as the one booked in the balance sheet.

(b) Historical cost valuation.

(c) Valuation method described in note 12-4.

(d) Valuation based on realizable value.

(e) The debt is recognized at its fair value as mentioned in note 12-4.

Concerning the debt accounted for at amortized cost, the main amounts are broken down as follows:

- For all floating-rate debt described in note 12-2-6, the drawdown is performed on a one-month, three-month and six-month basis and with a variable rate (EURIBOR and compounded SOFR); there is no difference between the fair value and the value in the balance sheet which represents an amount of 250.3 million euros;
- Concerning fixed rate debts, the fair value has been calculated from the yield curve as of 31 January 2024. The difference between the fair value and the value as appearing in the balance sheet is 18.9 million euros.

Debts in foreign currencies are valued at constant exchange rates.

	31 January 2023 - restated		Breakdown by instrument category			
	Book value	Fair value	Fair value through P&L	Loans and receivables/debts	Debts at amortized costs	Derivative instruments
Non-current financial assets	69.5	69.5	18.6	41.5	-	9.4
Lease receivables ^(a)	594.9	565.5	-	594.9	-	-
Other long-term receivables	5.3	5.3	-	5.3	-	-
Receivables ^(b)	220.3	220.3	-	220.3	-	-
Other receivables ^(b)	4.3	4.3	-	4.3	-	-
Derivative financial instruments ^(c)	3.1	3.1	-	-	-	3.1
Cash and cash equivalents ^(d)	157.8	157.8	-	157.8	-	-
ASSETS	1,055.2	1,025.8	18.6	1,024.1	-	12.5
Financial debts and bank overdrafts ^(e)	843.3	809.8	29.5	-	813.8	-
Other long-term debts	3.3	3.3	-	3.3	-	-
Accounts payable ^(b)	80.5	80.5	-	80.5	-	-
Other operating liabilities ^(b)	191.8	191.8	-	191.8	-	-
Derivative financial instruments ^(c)	2.4	2.4	-	-	-	2.4
LIABILITIES	1,121.3	1,087.8	29.5	275.6	813.8	2.4

(a) Due to the large number of deals handled by the leasing entities, the Group could not perform an individual valuation for each deal. The assumptions used are the following: average maturity of three years for the portfolio, yield curve ending on 31 January 2023 and constant exchange rate. The valuation is performed excluding credit spread. The British and American postage financing portfolios are comprised of very short-term maturities (less than one month) and renewable credits, the fair value considered is the same as the one booked in the balance sheet.

(b) Historical cost valuation.

(c) Valuation method described in note 12-4.

(d) Valuation based on realizable value.

(e) The fair value of the debt includes the Schuldschein debt that was swapped for 29.5 million euros. Swaps and debt are recognized at their fair value as mentioned in note 12-4.

Concerning the debt accounted for at amortized cost, the main amounts are broken down as follows:

- For all floating-rate debt described in note 12-2-6, the drawdown is performed on a one-month, three-month and six-month basis and with a variable rate (EURIBOR and USD LIBOR); there is no difference between the fair value and the value in the balance sheet which represents an amount of 249.3 million euros;
- Concerning fixed rate debts, the fair value has been calculated from the yield curve as of 31 January 2023. The difference between the fair value and the value as appearing in the balance sheet is 33.3 million euros. Debts in foreign currencies are valued at constant exchange rates.

12-2: Financial debt analysis

12-2-1: ACCOUNTING PRINCIPLES

Interest-bearing loans

Interest-bearing loans are initially recognized at their fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are measured at amortized cost: any difference between the nominal value (net of transaction costs) and the repayment value is taken in the income statement over the life of the loan, using the effective interest rate method.

Net financial debt

Net financial debts include interest-bearing loans and interest payables, net of cash and cash equivalents.

12-2-2: BREAKDOWN BY TYPE OF DEBT

	Financial debts and bank overdrafts	Short-term part of long-term debts	Long-term debts	31 January 2024	31 January 2023 restated
Bond Issue – Quadient S.A. 2.25% ^(a)	-	6.0	267.3	273.3	331.5
Schuldschein ^(b)	-	44.0	345.6	389.6	447.6
Revolving Credit facility ^(c)	-	0.1	-	0.1	0.2
Short-term negotiable securities - NEU CP ^(d)	-	-	-	-	30.0
Stimulus Participating Loan (Prêt Participatif Relance - PPR) ^(e)	-	0.5	90.0	90.5	-
Other debts	5.1	10.3	11.9	27.3	34.0
TOTAL	5.1	60.9	714.8	780.8	843.3

- (a) Quadient issued a 325 million euros public bond on 23 January 2020 listed on Euronext Paris under ISIN number FR0013478849 after filing a prospectus with the Autorité des Marchés Financiers (approval number 20-018 of 21 January 2020). This bond carries a fixed interest of 2.25% and is payable on 3 February 2025. IFRS accounting entails an initial debt of 323.1 million euros, representing a debt issued at 2.3750%. On 31 January 2024, the outstanding nominal amount of the notes is 267.6 million euros.
- (b) In February 2017, Quadient concluded private placements under German law (Schuldschein) consisting of ten tranches with different maturities between three and six years for a total amount of 135.0 million euros and 86.5 million United States dollars.
Quadient repaid 57.0 million euros in February 2023. This debt has been fully repaid.
In May 2019, Quadient concluded private placements under German law (Schuldschein) consisting of nine tranches with different maturities between four and seven years for a total amount of 130.0 million euros and 90.0 million United States dollars.
Between 2021 and 2023, Quadient repaid 79.5 million euros and 71.0 million United States. On 31 January 2024, the outstanding amount is of 50.5 million euros and 19.0 million United States dollars.
In February 2020, Quadient concluded private placements under German law (Schuldschein) consisting of four tranches with different maturities between four and five years for a total amount of 30.5 million euros and 13.0 million United States dollars.
In November 2021, Quadient concluded private placements under German law (Schuldschein) consisting of twelve tranches with different maturities between five and seven years for a total amount of 170.0 million euros and 105.0 million United States dollars.
- (c) On 15 June 2023, Quadient arranged a revolving credit line for drawdown in euros and in United States dollars for an initial amount equivalent to 300.0 million euros for a period of five years. The interest rate is indexed to the EURIBOR or compounded SOFR over the relevant drawdown period plus a margin depending on the debt coverage ratio by the EBITDA calculated on the Group's consolidated financial statements excluding leasing activities. At the end of January 2024, Quadient does not use that credit facility.
- (d) On 26 June 2023, Quadient updated the program of short-term negotiable securities (New European Commercial Paper - NEU CP) for 200.0 million euros. The documentation is available on the Banque de France website (<https://eucpmfn.banque-france.fr/public/#/liste-des-emetteurs/0d8c9dec-b611-ea11-80f7-001dd8b71ea9>). On 31 January 2024, Quadient hasn't issued securities.
- (e) On 20 June 2023, Quadient concluded a 90.0 million euros stimulus participating loan (Prêt participatif Relance - PPR). This stimulus participating loan has an 8-year maturity and is repayable in half-yearly instalments, from 20 December 2027.

12-2-3: FINANCIAL RATIOS (COVENANTS)

12-2-3-1: Definitions used in financial covenants

Consolidated net debt

Net debt is calculated as follows:

Financial debts from credit institutions in non-current financial debts

+ Financial debts in current liabilities

- Cash and cash equivalents

The net amount obtained is restated for the value of current and non-current asset and liability derivative instruments, together with any guarantee commitments of the Quadient Group.

Consolidated EBITDA

EBITDA is the consolidated current operating income excluding the depreciation and amortization of intangible and tangible assets.

Cost of net financial debt

The cost of net financial debt used when calculating covenants is equivalent to the aggregate presented in the consolidated income statement.

Restatement of leasing activities

With a few rare exceptions, leasing activities are the responsibility of distinct legal entities. This separation allows for the calculation of consolidated aggregates excluding the leasing activity. Activities that are not isolated in distinct legal entities are not restated.

Consolidated net debt excluding leasing is calculated on the basis of a restated consolidated balance sheet whereby the leasing companies are consolidated under the equity method and not included in the Group scope of consolidation. Using this restated balance sheet, the aggregate is calculated on the basis of the same balance sheet items used for calculating consolidated net debt.

Leasing net debt is calculated using these same consolidated financial statements, but in this case only for the scope of leasing companies.

Consolidated EBITDA excluding leasing is calculated on the basis of a restated consolidated income statement whereby the leasing companies are consolidated under the equity method and not included in the Group scope of consolidation. Using this restated income statement, the aggregate is calculated on the basis of the same income statement items used for calculating the consolidated EBITDA.

Leasing net portfolio

The leasing net portfolio is calculated on the basis of consolidated income statements through the addition of net long-term lease receivables and net short-term lease receivables. The net denotes that the leasing portfolio gross value is reduced by the amount of bad debt provision.

Default rate

The default rate is calculated on the basis of the ratio of provisions for bad debt on lease receivables to the leasing net portfolio.

12-2-3-2: Applicability and definition of financial covenants

Except for the Quadient S.A. 2.25% bond issue, which is not subject to any covenant, the various debts (private placements, *Schuldschein* and revolving credit facilities) are

subject to financial covenants. Failure to comply with these covenants may lead to early repayment of the debt. Quadient complies with all covenants as of 31 January 2024.

12-2-3-3: Covenant calculation

Aggregates

The aggregates presented below are those used for calculating the covenants as set out in note 12-2-3-1.

	31 January 2024 excluding IFRS 16	31 January 2023 excluding IFRS 16	31 January 2023 restated* excluding IFRS 16
Consolidated net debt	663.7	669.0	683.3
Consolidated net debt excluding leasing	227.1	234.1	248.4
Leasing net debt	436.6	434.9	434.9
Consolidated EBITDA	234.5	221.7	222.4
Consolidated EBITDA excluding leasing	151.4	135.5	136.2
Cost of net financial debt	27.4	25.0	25.0
Leasing net portfolio	590.0	586.1	586.1
Provision for bad debt	7.4	9.5	9.5

* These figures have been restated for information purposes only and are not legally binding (cf. note 1-2 on consolidated financial statements).

Covenant calculation

	Covenant to comply with	31 January 2024	31 January 2023	31 January 2023 restated *
Other debts subject to covenants – excluding IFRS 16				
Consolidated net debt excluding leasing/consolidated EBITDA excluding leasing	<3.0	1.5	1.7	1.8
Consolidated EBITDA/Cost of net financial debt	>4	8.6	8.9	8.9
Leasing net debt/leasing net portfolio	<90%	74.0%	74.2%	74.2%
Default rate	<=5%	1.3%	1.6%	1.6%

* These covenants have been restated for information purposes only and are not legally binding (cf note 1-2 on consolidated financial statements).

Shareholders' equity attributable to holders of the parent company must be greater than 600 million euros. Shareholders' equity attributable to holders of the parent company amounts to 1,059.4 million euros as of 31 January 2024, the ratio is respected.

12-2-4: BREAKDOWN BY CURRENCY

	31 January 2024	31 January 2023 restated
Euros (EUR)	582.9	642.5
United States dollars (USD)	190.2	189.1
Other currencies	7.7	11.7
TOTAL	780.8	843.3

The table above is based on exchange rates as of 31 January for each year.

12-2-5: BREAKDOWN BY MATURITY

Debts are positioned according to their contractual maturity date. The table below is based on constant exchange rates.

	31 January 2024	31 January 2023 restated
2023	-	113.7
2024	66.0	45.4
2025	319.7	378.0
2026	118.3	119.7
2027	94.4	84.5
2028	126.2	102.0
2029	56.2	-
TOTAL	780.8	843.3

12-2-6: BREAKDOWN BY INTEREST RATE

As part of its financial policy, Quadient actively hedges its variable-rate and fixed-rate debt.

	Type of rate	Reference rate	Drawdown rate	31 January 2024 Total effective rate*
Bond Issue – Quadient S.A. 2.25%	Fixed	2.25		2.3750
Schuldschein 2019				
Schuldschein – Quadient S.A. 46.5 MEUR	Fixed	Between 1.30 and 1.96 depending on the maturity	-	Between 1.415 and 2.029 depending on the maturity
Schuldschein – Quadient S.A. 5.0 MEUR	Variable	EURIBOR 6 months	1.7500	1.8170
Schuldschein – Quadient S.A. 19.0 MUSD	Variable	LIBOR 3 months**	2.0060	4.5100
Schuldschein 2020				
Schuldschein – Quadient S.A. 29.0 MEUR	Variable	EURIBOR 6 months	1.5000	1.5382
Schuldschein – Quadient S.A. 1.5 MEUR	Fixed	1.5000	-	1.5382
Schuldschein – Quadient S.A. 3.0 MUSD	Variable	LIBOR 3 months**	1.7096	3.2938
Schuldschein – Quadient S.A. 10.0 MUSD	Variable	LIBOR 3 months**	1.9596	3.5342
Schuldschein 2021				
Schuldschein – Quadient S.A. 50.0 MEUR	Fixed	Between 1.15 and 1.45 depending on the maturity	-	Between 1.2334 and 1.5102 depending on the maturity
Schuldschein – Quadient S.A. 55.0 MEUR	Variable	EURIBOR 6 months	1.1500	1.2322
Schuldschein – Quadient S.A. 51.0 MEUR	Variable	EURIBOR 6 months	1.1300	1.3690
Schuldschein – Quadient S.A. 22.0 MEUR	Variable	EURIBOR 6 months	1.4500	1.5093
Schuldschein – Quadient S.A. 45.0 MUSD	Fixed	3.161	-	3.2292
Schuldschein – Quadient S.A. 19.0 MUSD	Variable	LIBOR 3 months**	1.5303	1.6181
Schuldschein – Quadient S.A. 21.0 MUSD	Variable	LIBOR 3 months**	1.6803	1.7366
Schuldschein – Quadient S.A. 20.0 MUSD	Variable	LIBOR 3 months**	1.8803	1.9340
Revolving Credit facility	Variable	EURIBOR/ compounded SOFR	-	4.1070
Stimulus Participating Loan (Prêt Participatif de Relance - PPR)	Fixed	5.00	-	5.0625

* The total effective rate for the transaction is calculated on completion and includes costs relating to the transaction.

** The transition from LIBOR to compounded SOFR was effective during the year 2023.

12-2-7: CREDIT LINES

The Group had the following revolving credit facility as of 31 January 2024 which can be drawn in euros (EUR) and United States dollars (USD):

	Amount of the credit line	Amounts drawn at 31 January 2024	Expiry of facility	Number of banks in the pool
Bank pool	EUR 300 million	-	June 2028	8

Interest rates are indexed to EURIBOR or compounded SOFR plus a margin depending on the leveraged ratio based on the consolidated financial statements excluding leasing activity. The margin is currently fixed at 0.85% and may vary between 0.60% and 1.15%. An additional margin of 0.25% is added to the margin for the drawdown in United States dollars.

12-2-8: FAIR VALUE OF DEBTS

The book values of current loans and variable rate debts are close to their fair values. Fixed rate debts are analyzed as follows:

	31 January 2024				
	Book value	Name of Investment Fund	Fair value	Fair value +50 bps	Fair value -50 bps
Bond issue – Quadiant S.A. 2.25% 325 MEUR	273.3	6.0	263.1	265.2	262.7
Schuldschein EUR	97.7	0.7	92.9	97.4	96.0
Schuldschein USD	41.8	0.2	37.8	38.7	37.0

11-3: Financial income and expenses**11-3-1: ACCOUNTING PRINCIPLES****Effective interest rate**

The effective interest rate is the rate used to precisely discount future cash flows to maturity, to obtain the net value of the debt at the initial recognition date. To calculate the effective interest rate of a financial debt, the future cash flows are determined based on the contractual repayment dates.

Transaction costs

Transaction costs are the marginal costs directly attributable to the arrangement of a credit facility. These include fees and commissions paid to brokers and advisers, levies charged by the market authorities, stock exchange fees and transfer taxes and duties. However, they do not include issue premiums, the allocation of internal administrative expenses and head office expenses. For financial debt measured at amortized cost, transaction costs are included in the amortized costs calculation using the effective interest rate method and are amortized in the income statement over the life of the instrument.

12-3-2: COST OF DEBT

The table below represents the gross cost of debt by currency after exercise of the hedging instruments and the effects of the valuation of portfolio interest rate transactions for the financial year ended on 31 January 2024. The calculation is based on the debt detailed in the note 12-2-2.

The net financing cost rate, calculated from the net cost of debt, i.e. 27.4 million euros, divided by the average net debt (average financial debt – average cash and cash equivalents) during the year, equals 3.29%.

Currency	Gross rate	Amount in currency
Euros (EUR)	3.2%	20.8
Financial costs before hedging impact	3.34%	22.8
Hedging impact	(0.14)%	(2.0)
United States dollars (USD)	3.4%	5.9
Financial costs before hedging impact	5.78%	8.0
Hedging impact	(2.38)%	(2.1)

12-3-3: CAPITALIZED/AMORTIZED DEBT COSTS

The costs related to the arrangement of the different debts amounts to 3.3 million euros for the year 2023.

The difference between the straight-line amortization of

these costs and the calculation of the amortized cost of capital is not material, therefore there has been no restatement for the IFRS financial statements.

12-4: Risk management

12-4-1: ACCOUNTING PRINCIPLES

Quadiant uses derivative instruments to limit its exposure to the risk of fluctuations in interest rates and exchange rates.

In accordance with IFRS 9, Quadiant initially recognizes all derivative instruments on the balance sheet under financial instruments at fair value. This is estimated on the basis of market conditions. The fair value of the derivatives is then re-assessed at each accounting date thereafter.

Accounting for hedging transactions

On implementation of the hedge, the Group clearly identifies the hedging and hedged items. This hedging is formally documented by identifying the hedging strategy, the risk hedged and the method used to assess the effectiveness of the hedge. Tests are then carried out to demonstrate the effectiveness of the hedge.

The treatment of derivative instruments identified as forming hedges varies in accordance with IFRS 9 definitions, according to whether they are:

- fair value hedge;
- future cash flow hedge;
- net investment hedge.

Fair value hedge

Changes in the fair value of derivative instruments are charged to the income statement. At the same time, the item hedged is also recognized at fair value up to the risk hedged. As a consequence, changes in the two items are recognized symmetrically under net financial expenses, so that only ineffective hedging impacts the income statement.

This approach is applied in particular to swaps of fixed to variable rate and to the corresponding hedged debt.

Future cash flow hedge

For changes in the fair value of derivative instruments, changes in the effective portion of the hedging relationship are charged to shareholders' equity, while changes in the fair value of the ineffective portion are charged to the financial income.

Profits and losses that are recognized through equity are posted to the income statement for the period during which the hedged transaction affects net income.

This treatment is applied in particular to swaps of fixed to variable rate, as well as to the purchase and sale of currency futures or options.

Net investment hedge

The accounting principle is similar to future cash flow hedges. The gain or loss relating to the effective portion of the hedging instrument is charged directly to shareholders' equity, while the ineffective portion is charged to the income statement. When the Group withdraws from a foreign business, the cumulative value of profits and losses that have been recognized directly in shareholders' equity is recognized through the income statement.

Recognition of derivatives not qualifying as hedging instruments

For derivatives, which do not meet the criteria for recognition as hedging instruments as described above, any gain or loss resulting from changes in fair value is charged to the financial income.

12-4-2: MARKET RISKS

The Group is mainly exposed to currency exchange rate risks through its international activity and to interest rate risks through its debt.

The Group treasurer, who reports to the Group chief financial officer, monitors exchange rate and interest rate risks for all Quadient Group entities. A report showing the Group's underlying position and hedges is sent each month to the chief financial officer to provide complete visibility on the financial risks relating to hedging activities, and to measure the financial impact of unhedged positions.

Quadient uses the services of an independent consultancy based in Paris. This consultancy helps Quadient in its exchange rate risk hedging policy, and values its portfolio of hedging instruments under IFRS. This ensures the consistency of methodologies used and provides a financial opinion independent of any financial institution.

This company has the technical and human resources to monitor interest rate and exchange rate trends every day and alert the Group treasurer in light of the strategy in place.

However, no guarantee can be given regarding the Group's ability to hedge effectively against market risks.

Exchange rate risk**Natural hedge**

Quadient enjoys a natural hedge on its current operating margin and its net income.

Based on the 2024 budget, the breakdown of sales and costs in United States dollars is as follows: sales 54.5%, cost of sales 38.6%, operating costs 49.1%, and interest expenses 11.6%. A 5% decrease in the euro / United States dollar exchange rate from the budget rate of 1.05 would have the following impacts on the Group's income statement: sales (30.2) million euros, current operating income (4.8) million euros and net income (3.7) million euros.

Based on the 2024 budget, the breakdown of sales and costs in pounds sterling is as follows: sales 6.9%, cost of sales 5.2%, operating costs 7.9%. A 5% decrease in the euro / pound sterling exchange rate from the budget rate of 0.86 would have the following impacts on the Group's income statement: sales (3.8) million euros and non-significant impact on current operating income and net income.

The other currencies are not a major concern for the Group. None of them, taken individually, represents more than 5% of total sales. Beyond the natural hedge, no guarantee can however be given regarding the Group's ability to hedge exchange rate risk effectively.

Risk management policy

Quadient has a policy of centralizing its foreign currency risk, enabling it to monitor the Group's overall exchange rate risk exposure and to gain full control over the market instruments used in hedging operations.

For each consolidated position managed, a hedging strategy is set up at the same time as the reference exchange rate to be defended is set. The hedging strategy involves a combination of firm or optional hedging instruments, along with open positions protected by stop losses. These stop losses are predetermined exchange rates that trigger hedging transactions when they are hit. As a result, through the use of mathematical models, the hedging strategy enables a reference exchange rate to be defended from the start for the entire position in the event of adverse exchange rate fluctuations.

Year-end position

The tables below represent Quadient's positions as of 31 January 2024 regarding exchange rate hedging for commercial activities.

2023 FINANCIAL YEAR – BALANCE SHEET HEDGING: HEDGING POSITIONS COVERING FINANCIAL ASSETS OR LIABILITIES ON QUADIENT'S BALANCE SHEET AT 31 JANUARY 2024 AND EXPECTED TO BE REALIZED NO LATER THAN APRIL 2024

Notional value	USD	GBP	CAD	NOK	JPY	SEK	CHF	DKK	CZK	SGD	AUD	PLN
Financial assets	49.6	7.6	4.2	5.7	140.1	9.3	2.5	1.9	12.5	0.5	0.8	0.1
Financial liabilities	17.2	10.7	3.3	0.6	106.1	5.5	2.1	1.5	16.3	1.0	0.5	0.4
Net exposure before hedging	32.4	(3.1)	0.9	5.1	34.0	3.8	0.4	0.4	(3.8)	(0.5)	0.3	(0.3)
Hedging	(18.0)	-	(0.5)	(0.2)	(34.0)	(1.2)	(6.5)	(0.4)	4.7	(3.1)	-	(2.3)
NET EXPOSURE AFTER HEDGING	14.4	(3.1)	0.4	4.9	-	2.6	(6.1)	-	0.9	(3.6)	0.3	(2.6)

■ **2024 BUDGET: HEDGING POSITIONS COVERING ANTICIPATED FINANCIAL ASSETS AND LIABILITIES
IN FINANCIAL YEAR 2024 EXPECTED TO BE REALIZED NO LATER THAN APRIL 2025**

Notional value	USD	GBP	CAD	NOK	JPY	SEK	CHF	DKK	CZK	SGD	AUD	PLN
Financial assets	268.1	51.3	45.8	26.7	860.8	52.0	6.1	14.3	224.3	6.3	9.3	1.4
Financial liabilities	23.1	35.0	23.7	1.4	585.1	16.5	4.3	10.7	869.7	2.6	1.4	3.3
Net exposure before hedging	36.0	16.3	22.1	25.3	275.7	35.5	1.8	3.6	(645.4)	3.7	7.9	(1.9)
Hedging	(25.5)	(6.0)	(6.0)	(7.5)	(160.6)	(13.5)	-	(1.2)	210.0	-	(2.6)	-
NET EXPOSURE AFTER HEDGING	10.5	10.3	16.1	17.8	115.1	22.0	1.8	2.4	435.5	3.7	5.3	(1.9)

Quadiant uses symmetric options tunnels in particular. These option instruments are unlikely to be exercised in a reciprocal manner in terms of the spot exchange rate or expiry date. As a result, for each tunnel only one of the two options is reported in the table above. The value of the commitment in these symmetric options is 13.0 million United States dollars sold, 15.0 million Japanese yen sold, 1.8 million Canadian dollars sold 0.8 million Australian dollars sold and 3.5 million Swedish krona sold.

Quadiant also makes use of asymmetric option tunnels. The asymmetric part of this kind of options is presented in the table above with a view to reflecting the Group's maximum commitment. The asymmetric part by currency is as follows: 14.5 million United States dollars sold, 1.5 million Canadian dollars sold, 0.6 Australian dollars sold and 3.0 million Swedish krona sold.

Hedging instruments

The Quadiant Group hedges its exchange rate risk using over-the-counter derivative instruments contracted with external counterparties. The derivative instruments used by the treasury department in its hedging strategies are as follows:

- firm derivatives such as forward currency purchases and sales;
- plain vanilla options such as puts and calls;
- second generation options (knock-in or knock-out barrier options).

Instrument details

The instruments in the portfolio have a maturity of less than twelve months as of 31 January 2024. These instruments are listed below by type and by currency for the period to which they relate.

■ **2023 FINANCIAL YEAR: ASSETS AND LIABILITIES HEDGING**

Notional value – Cash flow hedging	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	4.0	19.0	19.5	-	-	28.5
GBP	-	6.0	-	-	-	-
CAD	-	3.3	1.8	-	-	3.3
NOK	2.3	10.0	-	-	-	-
JPY	-	164.7	15.0	-	-	30.0
SEK	1.3	9.5	3.5	-	-	6.5
CHF	-	6.5	-	-	-	-
DKK	-	1.6	-	-	-	-
CZK	214.7	-	-	-	-	-
SGD	-	3.1	-	-	-	-
AUD	-	1.2	0.8	-	-	1.4
PLN	-	2.3	-	-	-	-

■ 2024 BUDGET: HEDGING OF ANTICIPATED POSITIONS

Notional value – Total	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	-	1.0	17.5	-	-	24.5
GBP	-	6.0	-	-	-	-
CAD	-	2.8	1.8	-	-	3.3
NOK	-	7.5	-	-	-	-
JPY	-	130.6	15.0	-	-	30.0
SEK	-	7.0	3.5	-	-	6.5
DKK	-	1.2	-	-	-	-
CZK	210.0	-	-	-	-	-
AUD	-	1.2	0.8	-	-	1.4

At year-end, the operations shown in the above table are broken down as follows:

Notional value – Cash flow hedging	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	-	1.0	13.0	-	-	10.0
GBP	-	6.0	-	-	-	-
CAD	-	2.8	1.8	-	-	1.8
NOK	-	7.5	-	-	-	-
JPY	-	130.6	15.0	-	-	15.0
SEK	-	7.0	3.5	-	-	3.5
DKK	-	1.2	-	-	-	-
CZK	210.0	-	-	-	-	-
AUD	-	1.2	0.8	-	-	0.8

Notional value – Ineffective portion of hedge instruments	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	-	-	4.5	-	-	14.5
CAD	-	-	-	-	-	1.5
JPY	-	-	-	-	-	15.0
SEK	-	-	-	-	-	3.0
AUD	-	-	-	-	-	0.6

AVERAGE HEDGE RATE

Currency	USD	GBP	CAD	NOK	JPY	SEK	CHF	DKK	CZK	SGD	AUD	PLN
Average hedge rate	1.0849	0.8550	1.4626	11.3713	160.1890	11.2903	0.9447	7.4532	24.8388	1.4536	1.6431	4.3525

The average hedge rate calculation is based on the foreign exchange forwards weighted average rate. Foreign exchange options are not considered for the calculation of the average hedge rate.

Instrument valuations

Derivative instruments are recognized in accordance with the accounting principles and methods presented in note 12-4-1. According to IFRS 13, Quadient implements credit risk methodology concerning the valuation of financial instruments. In light of the immaterial impact of credit risk, Quadient does not recognize them in the financial statements on 31 January 2024.

Notional value	31 January 2023 restated	Changes recognized through equity - Fair value via OCI*	Changes recognized through equity - Aligned cost of hedge	Changes recognized in the income statement - Fair value via P&L	Changes recognized in the income statement - Non aligned cost of hedge	31 January 2024
Financial assets	1.4	-	(0.3)	(0.4)	(0.7)	-
Cash flow hedge	1.3	-	(0.3)	(0.3)	(0.7)	-
Ineffective hedge	0.1	-	-	(0.1)	-	-
Financial liabilities	-	(0.1)	(0.1)	-	-	(0.2)
Cash flow hedge	-	(0.1)	(0.1)	-	-	(0.2)
Ineffective hedge	-	-	-	-	-	-

* OCI: Other Comprehensive Income.

Sensitivity of the instruments

Concerning the financial instruments hedging the operations carried out in financial year 2023 for which the commitments are still in the balance sheet at year-end, the impact of a 10% increase in the foreign currency *versus* the euro would be a 2.6 million euros loss. The impact of a 10% decrease in the foreign currency *versus* the euro would be a 2.4 million euros gain.

Concerning the operations hedging the 2024 budget positions, the sensitivity to an exchange rate change is detailed in the tables below.

For a 10% increase in foreign currency *versus* the euro:

	Impact on equity	Impact on net income
Financial assets	0.7	0.0
Financial liabilities	(2.2)	(0.8)

For a 10% decrease in foreign currency *versus* the euro:

	Impact on equity	Impact on net income
Financial assets	2.6	0.1
Financial liabilities	(0.9)	(0.0)

Exchange rate deal counterparty risk

Operations are carried out with first rank international banks that are involved in the revolving credit facility.

Interest rate risk**Risk management policy**

To limit the impact of a rise in interest rates on its interest expenses, Quadient decided to implement a risk-hedging policy aimed at protecting a maximum annual interest rate for the three years ahead at all times. A rolling management horizon is used in order to always have three years of management.

The Group has a policy of centralizing its interest rate risk, enabling it to monitor the Group's overall interest rate risk exposure and to fully control the market instruments used in hedging operations. The Group hedges its interest rate risk depending on its current debt levels, but also according to likely future movements in debts, arising from drawings on its revolving credit facilities.

Financial instruments are carried by the legal entities that have the corresponding debt on their balance sheet.

A hedging strategy is adopted on the basis of the position to be managed and the reference interest rate adopted. The strategy is aimed at protecting the reference interest rate and at taking advantage, at least to some extent, of favorable movements. Hedging strategies involve definite and optional derivative instruments, and open positions are maintained if possible. The valuation of the open position based on market forward interest rates, along with the interest rates obtained through hedging operations, should always protect the reference interest rate. Hedging strategies cover the period three years ahead at all times. However, the level of coverage and the weightings of the various derivative instruments may vary from one year to the next, since the aim is to maintain greater scope for optimizing positions in later years.

Year-end position

The table below sets out Quadient's position as of 31 January 2024 by maturity for the major currencies:

Notional value	EUR				USD			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Debt	8.5	518.2	56.2	582.9	58.6	147.5	-	206.1
Of which fixed-rate debts	1.5	382.0	56.3	439.8	23.5	32.8	-	56.3
CORRESPONDING HEDGE MATURITIES	-	50.0	100.0	150.0	40.0	340.0	-	380.0

The corresponding interest flows (excluding margin impacts) were calculated based on constant debt forward interest rate conditions and exchange rate parity at year-end. The following schedule is obtained:

	2024	2025	2026
Interest on fixed rates	3.0	3.4	3.4
Interest on the variable rate position	8.0	12.1	12.2
Interest on hedging operations	(0.8)	(0.6)	(0.0)
TOTAL	10.2	14.9	15.6

Sensitivity of the financial results to interest rate changes is as follows:

	2024	2025	2026
Sensitivity to a +0.5% increase in interest rates	0.3	2.0	2.3
Sensitivity to a (0.5)% decrease in interest rates	(0.4)	(2.0)	(2.2)

For 2023, the Group's policy was to protect its net financial income in advance. As a result, after hedging and on a fixed-debt basis, 87% of the Group's debt is not exposed to forward interest rates for the current financial year and 13% of the debt remains exposed to forward rates as of 31 January 2024.

Instrument details

Quadient uses standard and liquid derivative instruments. The instruments used are as follows:

- firm derivatives: swaps and Forward Rate Agreement (FRA);

- plain vanilla options: buying and selling of caps and floors (used either alone or in combination);
- knock-in or knock-out barrier options: buying and selling of caps and floors (used either alone or in combination);
- buying and selling of swaptions (used either alone or in combination).

Management mandates, packaged bank hedging products and derivative instruments that introduce a reference other than the underlying asset (*quanto* swaps for example) are strictly forbidden by internal procedures.

Derivative instrument details

The instruments in the portfolio are listed below, according to type, currency and maturity.

Notional value	Currency	<1 year	1 to 5 years	>5 years
Cross currency swap – Lender EUR/Borrower USD	EUR/USD	-	19.0/21.2 11.0/11.6	-
Swap – receiver	USD	-	40.0	-
Cap – buyer	USD	20.0	135.0	-
Cap – buyer	EUR	35.0	25.0	-
Floor – seller	USD	-	65.0	-
Floor – seller	EUR	-	25.0	-
Cap – seller	USD	20.0	50.0	-
Call swaption – buyer	EUR	-	-	100.0
Put swaption – seller	EUR	-	-	100.0

DERIVATIVE INSTRUMENTS QUALIFIED AS FAIR VALUE HEDGE

Notional value	Currency	<1 year	1 to 5 years	>5 years
Swap – buyer	EUR	-	-	-

DERIVATIVE INSTRUMENTS QUALIFIED AS FUTURE CASH FLOW HEDGE

Notional value	Currency	<1 year	1 to 5 years	>5 years
Cross currency swap	EUR/USD	-	19.0/21.2 11.0/11.6	-
Swap – receiver	USD	-	40.0	-
Cap – buyer	USD	20.0	135.0	-
Cap – buyer	EUR	35.0	25.0	-
Floor – seller	USD	-	65.0	-
Floor – seller	EUR	-	25.0	-
Cap – seller	USD	20.0	50.0	-
Call swaption – buyer	EUR	-	-	100.0
Put swaption – seller	EUR	-	-	100.0

INSTRUMENTS NOT ELIGIBLE FOR HEDGE ACCOUNTING

Notional value	Currency	<1 year	1 to 5 years	>5 years
Floor – seller	USD	-	50.0	-

Instrument valuations

Derivative instruments are recognized in accordance with the accounting principles and methods presented in note 12-4-1. All interest rate derivative instruments are thus valued on the balance sheet and in the income statement at their market value, in accordance with IFRS 9. According to IFRS 13, Quadiant set up a credit risk methodology concerning the valuation of financial instruments. In light of the immaterial impacts of credit risk, Quadiant decided not to recognize these in the financial statements at 31 January 2024.

Changes in the market value of instruments not eligible for hedge accounting have been charged in their entirety to the income statement. The ineffective portion of instruments eligible for hedge accounting, plus the time value of these instruments, have been charged to net financial expenses. Changes in the intrinsic value of these instruments have been recognized as restatement of equity.

Quadiant applies IFRS 9 on hedge instruments

	31 January 2023 restated	Premium on new operations	Changes recognized through equity - Fair value via OCI*	Changes recognized through equity - Aligned cost of hedge	Changes recognized in the income statement - Fair value via P&L	Changes recognized in the income statement - Non aligned cost of hedge	31 January 2024
Financial assets (derivatives)	8.3	2.2	(1.5)	(2.4)	(1.3)	-	5.3
Debt and swap at fair value hedge	(0.0)	-	-	-	0.0	-	-
Derivative instruments qualified as cash flow hedge	8.4	2.2	(1.5)	(2.4)	(1.3)	-	5.4
Derivative instruments not eligible	(0.1)	-	-	-	0.0	-	(0.1)
Financial liabilities (derivatives)	1.6	0.9	(0.6)	(0.4)	0.1	-	1.6
Derivative instruments qualified as cash flow hedge	1.6	0.9	(0.6)	(0.4)	0.1	-	1.6
Derivative instruments not eligible	-	-	-	-	-	-	-

* OCI: Other Comprehensive Income.

Sensitivity to interest rate variations

The impact on the financial statements of an increase of 0.5% in the interest rates for the year ending 31 January 2024 is as follows:

	31 January 2024	Impact on equity	Impact on income statement	31 January 2024
Financial assets (derivatives)	5.3	3.7	-	9.0
Debt and swap at fair value hedge	-	-	-	-
Derivative instruments qualified as cash flow hedge	5.4	3.7	-	9.1
Derivative instruments not eligible	(0.1)	0.0	-	(0.1)
Financial liabilities (derivatives)	1.6	(0.0)	-	1.6
Derivative instruments qualified as cash flow hedge	1.6	(0.0)	-	1.6
Derivative instruments not eligible	-	-	-	-

The impact on the financial statements of a decrease of 0.5% on the interest rates for the year ending 31 January 2024 is as follows:

	31 January 2024	Impact on equity	Impact on income statement	31 January 2024
Financial assets (derivatives)	5.3	(3.6)	-	1.7
Debt and swap at fair value hedge	-	-	-	-
Derivative instruments qualified as cash flow hedges	5.4	(3.6)	-	1.8
Derivative instruments not eligible	(0.1)	(0.0)	-	(0.1)
Financial liabilities (derivatives)	1.6	0.1	-	1.7
Derivative instruments qualified as cash flow hedges	1.6	0.1	-	1.7
Derivative instruments not eligible	-	-	-	-

Fixed income transaction counterparty risk

Fixed income transactions are carried out with first rank international banks that take part in the revolving credit facility.

12-4-3: LIQUIDITY RISK

The Group believes that its cash flow before net cost of debt and income taxes (as defined in the consolidated statements of cash flows) will easily enable it to service its debt, given the current level of that debt. Group debt (*Schuldschein* and revolving credit facility) is subject to compliance with covenants. Failure to comply with these covenants may lead to early repayment of the debt. Quadient complied with all covenants as of 31 January 2024.

However, this ability will depend on the Group's future performance, which is partly related to the economic cycle, which the Group cannot control. No guarantee can therefore be given regarding the Group's ability to cover its future financial requirements.

As of 31 January 2024, the Group has 300 million euros in unused credit lines.

12-4-4: CREDIT RISK

Customers' counterparty risk exposure (receivables, lease receivables)

Credit risk is limited because of the diversity and the very high number of customers and because of the low unit value of each contract. No customer accounts for more than 3% of sales.

The Group's main subsidiaries are equipped with information & telecommunication tools and dedicated teams that allow them to tailor their receivables collection processes to every customer. In addition, the leasing and postage financing activities have their own credit scoring tools and systematically use an external credit scoring opinion at the inception of a new contract.

During the monthly operating reviews, led by the Group finance department, the accounts receivable of each subsidiary are analyzed.

12-4-5: DEPENDENCE ON SUPPLIERS

The Group's main supplier is Hewlett Packard (HP), supplier of ink cartridges, which account for 19.1% of Group purchases in 2023. In 2022, the main supplier was Sparck Technologies, which accounted for 16.6% of Group purchases

The top five and the top ten suppliers respectively account for 23.7% and 36.5% of total Group purchases in 2023, compared with 22.6% and 33.9% in 2022.

Any disruption in supply from any one of these suppliers could significantly affect the Group's business, even though clauses are written into the contracts to protect the Group against this risk. Quadient has already put in place alternative solutions in case such an event occurs.

12-4-6: BANKING COUNTERPARTY RISK EXPOSURE

The Group defined a list of the banks that subsidiaries are allowed to deal with and made it mandatory to use these authorized banks for cash deposits. Generally, banking services cannot be attributed to unauthorized banks. Exceptions can be made with the authorization of the Group cash management department.

Regarding the offsetting of derivatives in accordance with IFRS 7, Quadient recorded derivatives under assets of 3.8 million euros before netting. These transactions are carried out with eight banking partners. As of 31 January 2024, the netting of these instruments would be an asset of 3.8 million euros.

12-4-7: : EXPOSURE TO THE UKRAINIAN CONFLICT

In the context of the recent military developments in Ukraine, the Group does not expect, at the moment, significant impacts on its financial situation. Quadient's business exposure is limited: Quadient conducts no meaningful business with Ukraine or Russia and has ceased its activities with Russia in accordance with the sanctions imposed by the European Union. Quadient has no supply chain exposure in the region and has no direct employees in these countries. Quadient works with a small group of software developers contractors supporting and developing the YayPay solution. This solution is cloud-based, hosted in European Union and North America and is securely accessed, managed and maintained remotely, from anywhere in the world. Business continuity plans are in place worldwide and Quadient do not anticipate any disruption to the use and the support of the software. However, as the sanctions imposed on Russia by a number of countries could lead to a global economic slowdown, the Group is not in a position at present to quantify any impact.

NOTE 13 TAX POSITION**13-1: Accounting principles**

In accordance with IAS 12, Quadient uses a balance sheet approach to account for deferred taxes. This consists of calculating the deferred tax on temporary differences, which are the difference between the tax base of an asset or liability and its book value on the balance sheet. Quadient also applies the variable carry-forward method.

Deferred taxes are valued at the tax rate, either in force or coming into force, which is expected to be applied for the year in which the asset is realized or the liability settled.

Due and deferred tax assets and liabilities are offset for a given tax authority where there is a legally enforceable right to offset.

The book value of deferred tax assets is revised at each accounting date and reduced if it is unlikely that adequate taxable profits will be available to make use of the benefit of all or part of the deferred tax asset. Unrecognized deferred tax assets are valued at each accounting date and are recognized if it is probable that future profits will make them recoverable.

The Group's French companies use the tax consolidation system. The same applies to the Group's subsidiaries in each of the countries in which they are registered.

13-2: Main tax rates

The rates used in the main countries to calculate current and deferred tax at 31 January 2024 are as follows:

	Current tax	Deferred tax
France	25.8%	25.8%
United Kingdom	25.0%	25.0%
Netherlands	25.0%	25.0%
United States	25.9%	25.9%
Germany	31.6%	31.6%

13-3: Tax proof

The reconciliation between the theoretical tax charge and the actual tax charge is as follows:

	31 January 2024	31 January 2023 restated
Net income of consolidated companies before income tax	101.0	31.7
Tax rate for the consolidating company	25.8%	25.8%
Theoretical expense	25.5	8.0
Income tax rate differences	(3.8)	(4.9)
ODIRNANE	-	(0.8)
Permanent differences ^(a)	(4.0)	15.2
Tax rate reduction and other non-recurring items ^(b)	1.0	(1.6)
Prior year tax adjustment	(1.7)	0.9
Other	(0.3)	(0.1)
TOTAL INCOME TAX	16.7	16.7
EFFECTIVE TAX RATE	15.2%	52.7%

^(a) Permanent differences include the tax benefit arising from the internal transfer of intellectual property in 2023, the impact of goodwill impairment in 2022 and unrecognized tax losses.

^(b) Exceptional items mainly include the variation of tax risk provision.

	31 January 2024	31 January 2023 restated
Current income tax charge	40.2	29.6
Deferred income tax charge	(23.5)	(12.9)
TOTAL INCOME TAX	16.7	16.7

The OECD's international tax reform, known as "Pillar 2", which aims in particular to establish a minimum tax rate of 15%, will come into force in France starting with 2024 financial year. The Group has embarked on a project to identify the impact and organize the processes needed to comply with its obligations. As regulations currently stand in the countries in

which the Group operates, and subject to future regulatory clarification, Ireland and Switzerland would be the main countries affected, with an effective tax rate of less than 15%. At this stage of the project, the Group does not expect any significant top-up tax.

13-4: Deferred taxes

Deferred taxes are mainly due to the following:

	31 January 2023 restated	Changes recognized through equity	Changes recognized in the income statement	Other changes *	Foreign exchange differences	31 January 2024
Tax loss carry-forwards – Net	13.1	-	(1.2)	(3.5)	0.0	8.4
Pension provision	2.5	(0.2)	(0.3)	(0.7)	-	1.3
Expenses with deferred deductibility:						
• Inventories and bad debt	3.5	0.2	(0.8)	0.0	-	2.9
• Employees related provisions	2.1	-	0.4	(0.2)	(0.0)	2.3
• Fixed assets amortization	49.1	-	7.2	3.2	(0.5)	59.0
• Other expenses with deferred deductibility	(0.7)	-	5.1	(2.9)	(0.3)	1.2
Leasing activities	(102.4)	-	(3.4)	0.9	-	(104.9)
Patents and other intangible assets	2.5	-	9.6	(0.9)	-	11.2
Eliminations of margins on inventories, rented and demo equipment	2.7	-	0.3	0.2	-	3.2
Capitalization of research and development expenses	(21.0)	-	7.6	2.8	(0.2)	(10.8)
Amortization of assets recognized in purchase price allocations	(6.4)	-	1.8	(1.1)	(0.1)	(5.8)
Goodwill amortization	(41.1)	-	(2.0)	0.1	-	(43.0)
Pension	(10.9)	5.7	(0.3)	-	(0.2)	(5.7)
Other temporary differences	(12.2)	1.6	0.5	0.0	(0.1)	(10.2)
IFRS 16	-	4.7	(1.0)	-	-	3.7
DEFERRED TAXES ASSETS (LIABILITIES)	(119.2)	12.0	23.5	(2.1)	(1.4)	(87.2)

* The column "Other changes" mainly includes some reclassifications and the impact of the presentation of Italian deferred taxes as assets held for sale.

As of 31 January 2024, the recognition of deferred tax assets was reviewed. The tax loss carry-forwards recognized as deferred tax assets have been depreciated where it is deemed unlikely that the Group will be able to use these in the five next years. This provision, presented netted on the

line "Tax loss carry-forwards" amounts to (23.1) million euros as of 31 January 2024. The depreciated tax loss carry-forwards represents a tax basis of approximately 93.0 million euros as of 31 January 2024. There are non-activated tax losses within the Group.

NOTE 14 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE**14-1: Shareholders' equity****14-1-1: SHARE CAPITAL**

At 31 January 2024, the parent company share capital totalled 34.5 million euros divided into 34,468,912 ordinary shares with a par value of 1 euro each. The share capital is fully released.

14-1-2: ADDITIONAL PAID-IN CAPITAL

Additional paid-in capital represents the net amount received by the Company in excess of the par value on issuance, fully distributable. As of 31 January 2024, additional paid-in capital amounted to 51.4 million euros, same amount as of 31 January 2023.

14-1-3: RESERVES AND RETAINED EARNINGS

This item mainly comprises cumulative net income over each financial year, as well as dividend payments and the delivery of free shares.

14-1-4: CUMULATIVE TRANSLATION ADJUSTMENTS

Financial statements of subsidiaries established in local currencies are translated into euros at the year-end exchange rate for balance sheet items and at average rate over the period for income statement and cash-flow items.

The resulting translation difference is recognized in the translation adjustment under shareholders' equity.

Cumulative translation adjustments as of 31 January 2024 amounted to 22.4 million euros compared with 16.0 million euros as of 31 January 2023.

14-1-5: DIVIDEND PER SHARE

Parent company retained earnings before appropriation of 2023 net income amounted to 440.8 million euros as of 31 January 2024 compared with 410.1 million euros as of 31 January 2023.

A dividend of 0.65 euros should be paid, subject to the 14 June 2024 General Meeting's approval in relation to the 2023 financial results. If approved, the dividend will be paid in cash and in one instalment.

The dividend distributed in relation to the 2022 financial results was 0.60 euro, paid in cash and in one instalment.

14-1-6: LIQUIDITY CONTRACT AND SHARE BUYBACK PROGRAM

Equity instruments acquired by the Company are deducted from shareholders' equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of instruments representing Group shareholders' equity.

Under the liquidity contract, shares cannot be sold freely by Quadient unless the contract is cancelled. This contract was signed in accordance with the French association of investment companies (AFEI) code of ethics, with Exane BNP Paribas.

Number of shares	31 January 2023	Bought	Sold	Transfer	Cancellation of treasury shares	Free shares delivery	31 January 2024
Liquidity contract	51,321	423,740	402,645	-	-	-	72,416
Share-based payments	22,160	30,000	-	-	-	(41,123)	11,037

As of 31 January 2024, the Group held 72,416 shares within the framework of the liquidity contract and 11,037 shares for the purposes of fulfilling the commitments on the stock-option and free share allocation programs reserved for employees and Group executives. This compares with 51,321 and 22,160 respectively as of 31 January 2023.

14-1-7: EQUITY MANAGEMENT

In terms of equity management, the Group's objective is to maintain business continuity in order to generate a return for

shareholders and to optimize the cost of capital. The Group manages its capital structure in relation to economic conditions and can adjust the amount of dividends and share buybacks accordingly.

14-1-8: INFORMATION ON INVESTORS

Quadient carried out an analysis of its shareholder base as of 31 January 2023. No shareholder holding more than 3% of share capital has significant business dealings of any kind with Quadient.

14-2: Equity instruments

On 16 June 2015, Quadient S.A. issued a senior unsecured net share settled undated bond convertible into new shares and/or exchangeable for existing shares (ODIRNANE) for a notional amount of 265 million euros representing 4,587,156 shares with a nominal value of 57.77 euros. This

bond is traded on the open market *Freiverkehr* of the Frankfurt stock exchange.

On 16 June 2022, Quadient has reimbursed this bond at par for an amount of 265.0 million euros.

14-3: Earnings per share

14-3-1: ACCOUNTING PRINCIPLES

Basic earnings per share are calculated by dividing earnings for the period attributable to ordinary shareholders of the parent company by the weighted average number of outstanding ordinary shares during the period. It is restated with the payment of the coupons related to the ODIRNANE issue.

Diluted earnings per share are calculated by dividing earnings for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would have been issued on conversion of all potential dilutive ordinary shares.

For stock options, the share buyback method is used. In calculating diluted earnings per share, dilutive options are assumed to have been exercised. The income from these

instruments is assumed to have been received when the ordinary shares are issued, at the average market price during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that might have been issued at the average market price is treated as an issue of ordinary shares without offset. In this way, options only have a dilutive effect when the average market price of ordinary shares during the period exceeds the strike price of the options.

The potentially dilutive instruments correspond to the free shares attributions (note 10-4-2). These instruments are included if and only if their dilutive effect reduces the earning per share or increases the loss per share. According to the IAS 33, if the diluted earnings per share are higher than the earning per share, they are considered as non-representative and reduced to the basic earnings per share.

14-3-2 EARNINGS PER SHARE CALCULATION

The table below sets out the earnings figures used to calculate basic and fully-diluted earnings per share for all activities:

	31 January 2024		31 January 2023- restated	
	Continuing operations	All operations	Continuing operations	All operations
Net income – attributable to equity holders of the parent company	82.4	68.7	13.4	13.3
ODIRNANE dividends	-	-	(3.4)	(3.4)
Restated basic earnings (A)	82.4	68.7	10.0	9.9
Effect of dilutive instruments:				
• Dilutive free shares	0.8	0.8	-	-
Diluted net income (B)	83.2	69.5	10.0	9.9
Number of outstanding shares	33,952	33,952	34,037	34,037
Effect on a <i>pro rata</i> time basis of dividend payments in shares, the exercise of stock options, share buybacks for cancellation and liquidity contract	25	25	(109)	(109)
Weighted average number of shares outstanding (in thousands)* (C)	33,978	33,978	33,927	33,927
Weighted average number of outstanding free shares, <i>pro rata temporis</i>	542	542	-	-
Number of shares fully diluted (in thousands)* (D)	34,520	34,520	33,927	33,927
NET EARNINGS PER SHARE (IN EUROS) (A)/(C)	2.42	2.02	0.30	0.29
DILUTED NET EARNINGS PER SHARE (IN EUROS) (B)/(D)	2.41	2.01	0.30	0.29

* Weighted average over the period.

There is no anti-dilutive instruments at 31 January 2024. At 31 January 2023, the potentially dilutive instruments described in the accounting principles above have a relative effect and they have been therefore excluded from the calculation of the diluted net earning per share.

NOTE 15 POST-CLOSING EVENTS

On 1st February 2024, Quadiant announced the acquisition of 100% of Frama AG, a Swiss company that had long been a leading provider of mail processing and document management solutions for small and medium-sized businesses, serving over 30,000 customers, mainly in Europe.

From 31 January 2024 until the financial statements' approval by the Board of directors, there was no significant change in the Group's commercial or financial situation.

NOTE 16 FEES PAID TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

Accounted for by the Group in 2023 and 2022:

	2023				2022			
	EY		Mazars		EY		Mazars	
	Amount (before VAT)	%	Amount (before VAT)	%	Amount (before VAT)	%	Amount (before VAT)	%
<i>(In thousands of euros)</i>								
Audit, certification and examination of individual and consolidated financial statements								
Issuer	559	31%	329	29%	630	27%	230	33%
Fully-consolidated subsidiaries	1,099	61%	800	71%	1,541	66%	471	67%
Services other than certification of financial statements								
Issuer	7	0%	-	-	7	0%	-	-
Fully-consolidated subsidiaries	-	-	-	-	-	-	-	-
Audit sub-total	1,665	92%	1,129	100%	2,178	93%	701	100%
Other services provided by Auditor and its network								
Acquisitions	-	-	-	-	-	-	-	-
Legal & tax	65	4%	-	-	111	5%	-	-
Other	65	4%	-	-	53	2%	-	-
Other services sub-total	129	8%	-	-	164	7%	-	-
TOTAL	1,794	100%	1,129	100%	2,341	100%	701	100%

6.2 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended January 31, 2024

To the Annual General Meeting of Quadiant S.A.,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Quadiant S.A. for the year ended January 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 January 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes) for the period from February 1, 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

EMPHASIS OF MATTERS

Without qualifying the opinion expressed above, we draw your attention to the consequences of the investigation relating to irregular accounting practices disclosed in note 1.2 of the consolidated financial statements.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of the recoverable amount of goodwill

Risk identified

Goodwill amounts to EUR 1 081,8 M€ as of 31 January 2024, in the net amount.

Goodwill is tested for impairment at least once a year or when there is an indication of impairment. Impairment tests are carried out at Cash-Generating Units ("CGU") levels or at group of CGUs level defined by the Group.

Impairment is recorded when the asset's recoverable amount is lower than its carrying amount. Unless otherwise indicated, the Group uses the value in use to measure the recoverable amount of Goodwill at each CGU or group of CGUs.

Value in use corresponds to the current value of the future cash flows that the Group expects to obtain from identified CGUs or group of CGUs. Future cash flows are based on cash-flow projection assumptions over 5 years, as described in note 5-5-1 to the consolidated financial statements.

Industrial margins and net assets are reallocated to the country where the equipment is installed, and leasing margins and net assets are reallocated to the country where the signatories of finance lease contracts are located. Support costs (holding, human resources, IT...) were also reallocated to the CGUs or groups of CGUs on a pro rata basis according to their revenue. Beyond this five-year horizon, the terminal value is calculated by applying to the last cash flow the infinite growth rate. Cash flows are then discounted. The discount rates are determined according to the activities and geographical areas. Where appropriate, these discount rates consider a specific risk premium.

The assumptions, sensitivity analysis and the results of the tests performed are disclosed in further detail in Note 5-5 to the consolidated financial statements.

Valuation of the recoverable amount of Goodwill is considered to be a key audit matter, due to its significant amount and the fact that its valuation is largely based on Management's judgments and estimates, particularly regarding the cash flow projections, growth rate used and the discount rate applied.

Our response

We obtained an understanding of the procedures implemented by Group Management to determine the value in use of goodwill and to perform impairment tests.

We assessed the conformity of the methodology applied in determining the CGUs or Group of CGUs with the IFRS in force as well as the allocation of goodwill to them.

We assessed the consistency of the impairment model applied and the calculation formulas used. We also analyzed the key assumptions used in the cash flow forecasts. Our work consisted in:

- reviewing the completeness of the items comprising the carrying amount of the CGUs tested;
- assessing the consistency of the reallocation of margins and net assets of the leasing and industrial entities as well as support costs;
- comparing the projected cash flows with historical data;
- analyzing the consistency of projected cash flows with the Group's strategic initiatives;
- reconciling the data used with business plans prepared by management and presented to the Board of Directors;
- assessing, with the support of our valuation experts, the long-term growth rates and discount rates applied to the impairment review for each CGU or group of CGUs, comparing the rates utilized to third party evidence;
- assessing sensitivity analysis relating to key assumptions to consider the extent of change in those assumptions that either individually or collectively would imply additional depreciation of the goodwill, in particular relating to forecast future cash flows, including long-term growth rates and discount rates applied.

Finally, we assessed the appropriateness of the disclosures in Notes 5-1 and 5-5 to the consolidated financial statements.

Sales

Risk identified	Our response
As of January 31, 2024, Sales amounted to EUR 1 062,4 million. As described in Note 6-1 ("Sales") the Group assessed sales at the fair value of the consideration expected net of any trade discount and volume rebates and excluding any VAT or other taxes, in accordance with IFRS 15. Sales are recognized at the date on which the Group has transferred control of performances obligations identified in the contracts. The terms of the commercial contracts between the Group and its customers include the terms and conditions for the transfer of ownership and the performance of services. The analysis of those conditions is decisive for the correct accounting treatment of revenue. For financial leases, the Group recognizes a sale of equipment and records a receivable amounting to the net present value of lease payments receivable over the term of the financing. For software and associated services and sales of patents, the Group recognizes revenue, if the following conditions are met: • The group has entered into a legal binding agreement with a customer. • The software or service has been delivered. • License fees are fixed and there are no uncertainties on the completion of the contract. As a result, we have considered revenue recognition as a key audit matter, since it is sensitive to management's judgments and estimates, and therefore, may have a significant impact on the financial statements.	We performed walkthroughs to understand the procedures including IT systems implemented by the most significant components. We analyzed the compliance of the revenue recognition rules with IFRS 15 standards. We evaluated and tested key controls on the process of revenue recognition for the considered most significant components. We conducted specified analytical procedures to different categories of revenue for subsidiaries scoped by size or risk, and at group level by geographic region, and by solutions to analyze changes in sales throughout the year. On a sample of contracts, we obtained: • The related documentation (contracts, invoices, delivery notes, proof of service) to ensure the accounting on the correct accounting period. • The documentation for some manual entries impacting the turnover accounts by focusing on non-recurring transactions We also assessed the appropriateness of the disclosures in Note 6-1 of the appendices to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Format of preparation of the consolidated financial statements intended to be included in the annual financial report:

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the Board of director's responsibility, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (Autorité des marchés financiers) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Quadient S.A. by the annual general meeting held on June 16, 2022 for Mazars and September 9, 1997 for Ernst & Young et Autres.

As at January 31, 2024, Mazars and ERNST & YOUNG et Autres were in the 2nd year and 27th year of total uninterrupted engagement, which are the 25th year since securities of the Company were admitted to trading on a regulated market, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made based on these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision, and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 29/04/2024

The Statutory Auditors

French original signed by

MAZARS

Francisco Sanchez

ERNST & YOUNG et Autres

May Kassis Morin

6.3 Analysis of Quadient S.A.'s annual results

Unless otherwise indicated, all the amounts stated hereafter are in million euros, rounded to one decimal place.

6.3.1 2023 FINANCIAL YEAR SIGNIFICANT EVENTS

Acquisition of the intellectual property assets from Quadient CXM AG linked to the solution "ICA" by Quadient Software Inc.

On 14 July 2023, Quadient Software Inc. and Quadient CXM AG entered into an agreement to sell the intellectual property of the Quadient Group's ICA solution from Quadient CXM AG to Quadient Software Inc for 42.8 million US dollars.

To realize this operation, financed by Quadient SA., on 7 August 2023, Quadient Software Inc., itself owned by Quadient Holding Inc. carried out a capital increase of 42.9 million US dollars. This operation is valued in the accounts of Quadient S.A. in receivables and in shares of Quadient Holding Inc. for an amount of 38.8 million euros as of 31 January 2024.

Shareholding events and exit from the Group

On 16 October 2023, Quadient S.A. dissolved its subsidiary Rena GmbH. As part of this operation, Quadient S.A. recognized the disposal of its equity interests for 6.3 million euros, which had been fully written down. This dissolution had no impact on Quadient S.A.'s net income.

On 31 January 2024, Quadient S.A. recognized a loss on investments of 28.6 million euros, after incorporating its receivable of 25.2 million euros in the recapitalization and subsequent reduction in the share capital of Quadient Shipping, reducing it to a value of 3.8 million euros.

Impairment of securities and receivables

Quadient S.A. has written down its receivables from Quadient Italy Srl for a total of 29.2 million euros, and the value of its shares for 1.2 million euros.

Quadient S.A. also wrote down its receivable from Quadient Rental Italy Srl for 12.7 million euros.

The impairment of Quadient Shipping shares has also been adjusted from 7.9 to 3.8 million euros.

On 31 January 2024, the impairment test carried out on investments in associates led to an additional impairment of 6.5 million euros on its Australian subsidiary Neopost Holdings Pty Ltd, resulting in a net value of shares of 1.7 million euros.

Quadient: Bpifrance takes a c.5% stake in Quadient's capital to support its transformation and development strategy

On 27 July 2023, Bpifrance announced that it holds c.5% of Quadient's capital and voting rights. This investment is in line with Bpifrance's strategy to support French companies undergoing transformation and positioned in promising fast-growing activities. By acquiring a stake in Quadient's capital, Bpifrance is demonstrating its confidence in the Company's development strategy in key attractive markets.

Revolving credit facility renewed in advance with a new maturity in 2028

On 16 June 2023, Quadient S.A. announced the closing of a 300 million euros syndicated Revolving Credit Facility (RCF).

This Revolving Credit Facility was negotiated with a syndicate of eight international banks. This 300 million euros RCF has an initial tenor of five years, maturing in June 2028, with a 100 million euros accordion feature, bringing the potential total amount of the credit line up to 400 million euros depending on the banks' approval. The new credit facility replaces the existing undrawn 400 million euros RCF, which was set to mature in June 2024.

Quadient signs a 90 million euros stimulus participating loan, at attractive conditions, contributing to the financing of its growing connected equipment platform

On 20 June 2023, Quadient S.A. announced the closing of a 90 million euros stimulus participating loan (*Prêt Participatif Relance* - PPR). This stimulus participating loan, which was implemented with BNP Paribas, has an eight-year maturity and attractive conditions. It will be dedicated to financing connected equipment under Quadient's subscription business model.

Partial purchase by Quadient under its 325 million euros; 2.25% notes due 2025

On 19 October 2023, Quadient has proceeded to a partial purchase under the notes issued by Quadient on the 23 January 2020 for an amount of 325 million euros at a rate of 2.25% due on 3 February 2025 (ISIN code FR0013478849) (the "Notes"). The nominal amount purchased by Quadient is 34.2 million euros.

The outstanding nominal amount of the Notes after this partial purchase was 290.8 million euros.

On 9 November 2023, Quadient has proceeded to a partial purchase under the notes issued by Quadient on the 23 January 2020 for an amount of 325 million euros at a rate

of 2.25% due on 3 February 2025 (ISIN code FR0013478849) (the "Notes"). The nominal amount purchased by Quadient is 12.2 million euros.

The outstanding nominal amount of the Notes after this partial purchase is now 278.6 million euros.

6.3.2 OPERATING INCOME

Quadient S.A.'s operating loss amounts to 4.9 million euros compared with a loss of 1.1 million euros as of 31 January 2023.

6.3.3 FINANCIAL INCOME

Net financial result is a loss of 41.4 million euros in full-year 2023, down from an income of 49.4 million euros last fiscal year. Dividends received by the Company totalled 39.8 million euros as of 31 January 2024 compared with 70.0 million euros as of 31 January 2023.

Net interest income from the Group's subsidiaries totals 20.5 million euros (17.4 million as of 31 January 2023), before recognition of a gain of 1.1 million euros (compared to a loss

of 9.7 million as of 31 January 2023) and a loss on receivables on investments of 34.9 million euros (4.6 million euros as of 31 January 2023).

Net interest expenses for external borrowings stand at 25.6 million euros (22.7 million euros as of 31 January 2023). Net financial depreciation are recorded for 39.7 million euros as of 31 January 2024 (compared to a net depreciation of 0.1 million euros as of 31 January 2023).

6.3.4 EXTRAORDINARY INCOME

Quadient S.A.'s extraordinary gain amounts to 0.4 million euros compared with a loss of 0.4 million euros as of 31 January 2023.

Treasury share disposals under the liquidity contract generate 0.3 million euros (0.4 million euro as of

31 January 2023) of extraordinary income on capital transactions and 0.0 million euros (0.8 million euros as of 31 January 2023) of extraordinary expenses on capital transactions. Extraordinary income from management operations amounted to 0.1 million euros as of 31 January 2024.

6.3.5 NET INCOME

Net income is a loss of 38.6 million euros compared to a profit of 51.3 million euros as of 31 January 2023, after a net tax income of 7.3 million euros (3.4 million euros as of 31 January 2023),

In accordance with the article 223 *quater* of the French general tax code (CGI), the financial statements for the current year include 87,953 euros of non-tax-deductible expenses (article 39-4 of the CGI), but do not include the non-tax-deductible general expenses (article 39-5 of the CGI).

6.3.6 SHAREHOLDERS' EQUITY

Quadient S.A.'s shareholders' equity amounts to 440.1 million euros as at 31 January 2024, a decrease of 59.2 million euros year-on-year. This decrease corresponds to the 2023 net

income and 20.6 million euros paid to shareholders for the 2022 dividend.

6.3.7 TRADE PAYABLES AND RECEIVABLES AGEING

Invoices received and issued not paid at the end of the financial year and for which the payment term has expired (article D.441-4):

	31 January 2024	Number of invoices
Trade payables – Ageing		
• Not due	20.5	177
• Between 1 and 30 days	0.6	18
• Between 31 and 60 days	-	-
• Between 61 and 90 days	0.0	7
• More than 90 days	0.0	7
TOTAL	21.1	209

Suppliers are contractually paid within 30 days.

	31 January 2024	Number of invoices
Trade receivables – Ageing		
• Not due	22.5	209
• Between 1 and 30 days	0.0	3
• Between 31 and 60 days	0.0	1
• Between 61 and 90 days	0.8	13
• More than 90 days	1.8	43
TOTAL	25.1	269

Customer payments are contractually collected within 30 days.

6.3.8 FIVE-YEAR RESULTS TABLE

	31/01/2020	31/01/2021	31/01/2022	31/01/2023	31/01/2024
Share capital					
Capital at year-end closing	34.6	34.6	34.6	34.5	34.5
Number of shares	34,562,912	34,562,912	34,562,912	34,468,912	34,468,912
Operations and earnings					
Sales excluding tax	34.9	33.7	30.7	36.1	34.7
Earning before taxes, depreciation/amortization and provisions	83.1	(6.5)	84.4	49.0	(5.3)
Income taxes	6.4	6.6	5.5	3.4	7.3
Amortization expense and provisions	(78.4)	29.5	13.8	(1.1)	(40.6)
Net income	11.1	29.6	103.7	51.3	(38.6)
Distributed earnings	12.0	17.2	18.9	20.6	22.3

	31/01/2020	31/01/2021	31/01/2022	31/01/2023	31/01/2024
Earnings per share (in euros)					
Earnings after tax, before depreciation/amortization and provisions	2.59	0.00	2.60	1.52	0.06
Earnings after tax, depreciation/amortization and provisions	0.32	0.86	3.00	1.49	(1.12)
Dividends paid	0.35	0.50	0.55	0.60	0.65
Employees					
Average headcount	42	43	45	49	46
Payroll	8.8	9.6	9.0	8.3	6.5
Employee benefits paid (Social security, social welfare)	4.1	6.3	4.1	1.8	3.4

6.3.9 DIVIDENDS

A dividend of 0.65 euro, 8% higher than last financial year, should be paid, subject to the 14 June 2024 General Meeting's approval in relation to the 2023 financial results. If approved, the dividend will be paid in cash and in one instalment.

The statutory reserve has been funded to 10% of the share capital.

The distributable reserve amount therefore to 350.7 million euros and are calculated as follows:

(In euros)	31 January 2024
Allocation of income subject to the approval of the Annual General Meeting of shareholders:	
• Retained earnings	389,361,637.28
• 2023 net income	(38,621,802.70)
• Deduction from issue premium	-
TOTAL	350,739,834.58

The total amount of dividends paid for the three previous years may be found in the table for the five previous financial years.

6

6.3.10 STATUTORY AUDITORS' ENGAGEMENT

Mazars, represented by Francisco Sanchez;

Ernst & Young et Autres, represented by May Kassis-Morin.

6.3.11 POST-CLOSING EVENTS

From 31 January 2024 until the financial statements' approval by the Board of directors, there were no significant changes in the company's commercial or financial situation.

6.3.12 2024 OUTLOOK

Quadient S.A. will continue to act as the holding Company for the Quadient Group.

6.4 Quadient S.A. statements of financial position

6.4.1 BALANCE SHEET

■ ASSETS

<i>(In million euros)</i>	Notes	31 January 2024	31 January 2023
Intangible fixed assets			
Gross value		41.2	41.2
Amortization		(41.2)	(41.2)
	(3)	0.0	0.0
Tangible fixed assets			
Gross value		0.3	0.3
Amortization		(0.2)	(0.2)
	(3)	0.1	0.1
Financial assets			
Gross value		1,355.0	1,291.6
Impairment		(100.3)	(102.2)
	(4)	1,254.7	1,189.4
Net receivables			
Net accounts receivable		23.2	14.7
Net other receivables		379.4	378.0
	(5)	402.6	392.7
Short-term investments and cash & cash equivalents			
Treasury shares		1.6	1.3
Short term securities		-	-
Cash & cash equivalents		70.2	97.5
	(6)	71.8	98.8
Financial derivative instruments		1.5	0.8
Prepaid expenses		1.6	1.7
Differed charges		3.3	2.2
Unrealized foreign exchange losses	(7)	18.0	17.2
TOTAL ASSETS		1,753.6	1,702.9

The following notes form an integral part of the financial statements.

LIABILITIES

(In million euros)	Notes	31 January 2024	31 January 2023
Share capital		34.5	34.5
Additional paid-in capital		51.4	51.4
Reserves		392.8	362.1
Net income		(38.6)	51.3
Shareholders' equity	(8)	440.1	499.3
Contingency and loss provisions			
Contingency provisions		2.1	2.1
Loss provisions		1.2	1.8
	(9)	3.3	3.9
Financial debts			
Bank loans		761.1	819.5
Other borrowings and debts		0.6	0.6
	(10)	761.7	820.1
Accounts payable			
Trade payables		21.1	14.4
Provisional dividends payable		-	-
Other operating liabilities		508.7	347.1
Taxes		0.2	0.3
		530.0	361.8
Financial derivative instruments		2.4	2.3
Overdrafts		0.0	0.2
Unrealized foreign exchange gains	(7)	16.1	15.3
TOTAL LIABILITIES		1,753.6	1,702.9

The following notes form an integral part of the financial statements.

6.4.2 INCOME STATEMENT

<i>(In million euros)</i>	Notes	31 January 2024	31 January 2023
Revenue from services		34.7	36.1
Reversal of depreciation and allowances, expense transfers		0.3	0.7
Other revenue		0.0	0.0
Revenue from operations		35.0	36.8
Other purchase costs and operating expenses		(38.1)	(35.7)
Other expenses		(0.6)	(0.5)
Depreciation, amortization and allowances		(1.2)	(1.7)
Operating expenses		(39.9)	(37.9)
Operating income	(11-1)	(4.9)	(1.1)
Investment income (dividends)		39.8	70.0
Investment income (interest)		37.4	23.7
Other interest and financial income		25.9	39.6
Reversals of depreciation, amortization and allowances		13.8	9.2
Financial income		116.9	142.5
Interest expenses		(104.8)	(83.8)
Commitment commissions		(0.0)	(0.0)
Depreciation, amortization and allowances		(53.5)	(9.2)
Financial expenses		(158.3)	(93.1)
Financial result	(11-2)	(41.4)	49.4
Current operating income		(46.3)	48.3
Extraordinary capital gains			
• Proceeds from assets sales		-	-
• Other		0.4	0.4
Extraordinary income		0.4	0.4
Extraordinary capital losses			
• Net book value of assets sales		-	-
• Extraordinary amortization charges on intangible fixed assets		-	-
• Other		(0.0)	(0.8)
Extraordinary expenses		(0.0)	(0.8)
Extraordinary income	(11-3)	0.4	(0.4)
Income tax	(11-4)	7.3	3.4
NET INCOME		(38.6)	51.3

The following notes form an integral part of the financial statements.

6.4.3 STATEMENT OF CASH FLOW

<i>(In million euros)</i>	31 January 2024	31 January 2023
Net income	(38.6)	51.3
Depreciation and amortization expenses (reversal)	41.3	0.0
Contingency and loss provision (reversal)	0.0	0.0
Capital gains or loss on disposal of fixed assets	-	-
Gains and losses on changes in fair value	(7.7)	(2.3)
Cash flow from operations	(5.0)	49.0
(Increase) decrease in accounts receivable	(10.3)	1.6
Increase (decrease) in accounts payable	6.7	3.2
(Increase) decrease in other operating payables and receivables	127.2	(3.6)
Cash flow from operating activities (A)	118.6	50.2
Investments in intangible fixed assets	(0.0)	(0.0)
Investments in tangible fixed assets	-	-
Securities acquired and (increase) decrease in loans granted	(66.6)	18.3
Sub-total investments	(66.6)	18.3
Disposals of fixed assets	-	-
Cash flow from investment activities (B)	(66.6)	18.3
Increase (decrease) of share capital	-	(1.6)
Dividends paid	(20.6)	(18.9)
New financial debts	90.0	18.8
Repayment of borrowings	(117.5)	(384.4)
Net change in other debts and accrued interest not yet matured	(30.8)	30.0
Cash flow from financing activities (C)	78.9	(356.1)
Impact of exchange rate changes on cash and cash equivalents (D)	(0.3)	(7.1)
Change in net cash & cash equivalents (A) + (B) + (C) + (D)	(27.2)	(294.7)
Opening cash & cash equivalents	97.4	392.1
CLOSING CASH & CASH EQUIVALENTS	70.2	97.4

The following notes form an integral part of the financial statements.

6.4.4 CHANGE IN SHAREHOLDERS' EQUITY

	Par value	Number of shares	Share capital	Additional paid-in capital	Reserves	Total
Shareholders' equity as of 31 January 2022	EUR 1	34,562,912	34.6	52.9	381.0	468.5
2021 Dividends	-	-	-	-	(18.9)	(18.9)
Cancellation of treasury stock	-	(94,000)	(0.1)	(1.5)	(1.6)	(1.6)
Net income	-	-	-	-	51.3	51.3
Shareholders' equity as of 31 January 2023	EUR 1	34,468,912	34.5	51.4	411.8	499.3
2022 Dividends	-	-	-	-	(20.6)	(20.6)
Net income	-	-	-	-	(38.6)	(38.6)
SHAREHOLDERS' EQUITY AS OF 31 JANUARY 2024	EUR 1	34,468,912	34.5	51.4	352.6	440.1

The following notes form an integral part of the financial statements.

6.4.5 NOTES TO THE FINANCIAL STATEMENTS

Financial years ended 31 January 2024 and 31 January 2023.

Unless otherwise indicated, all amounts stated hereafter are in million of euros, rounded to one decimal place. Therefore, the sum of rounded amounts may present immaterial differences with the total shown.

Some amounts as of 31 January 2023 may have been reclassified to be comparable with the presentation adopted as of 31 January 2024.

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NOTE 1 PRESENTATION OF THE COMPANY

Quadient S.A. is a Company incorporated under French law, with SIREN number 402 103 907, whose registered office is located at 42-46, avenue Aristide Briand, 92220 Bagneux (France).

Quadient S.A. is the parent company of Quadient Group and the head of the tax group in France.

Quadient S.A. holding of Quadient Group was created in 1992 through a leverage buy-out (LBO) of Alcatel's activities of "mail processing equipment" division. After a second LBO in 1997, Quadient S.A. was listed on the *Premier Marché* of Euronext Paris stock market on February 1999.

Quadient S.A. operates as a holding company, holding financial interest that allow it to control the Group companies directly or indirectly.

HIGHLIGHTS OF 2023

Acquisition of the intellectual property assets from Quadient CXM AG linked to the solution "ICA" by Quadient Software Inc.

On 14 July 2023, Quadient Software Inc. and Quadient CXM AG entered into an agreement to sell the intellectual property of the Quadient Group's ICA solution from Quadient CXM AG to Quadient Software Inc for 42.8 million US dollars.

To realize this operation, financed by Quadient S.A., on 7 August 2023, Quadient Software Inc., itself owned by Quadient Holding Inc. carried out a capital increase of 42.9 million US dollars. This operation is valued in the accounts of Quadient S.A. in receivables and in shares of Quadient Holding Inc. for an amount of 38.8 million euros as of 31 January 2024.

Shareholding events and exit from the Group

On 16 October 2023, Quadient S.A. dissolved its subsidiary Rena GmbH. As part of this operation, Quadient S.A. recognized the disposal of its equity interests for 6.3 million euros, which had been fully written down. This dissolution had no impact on Quadient S.A.'s net income.

On 31 January 2024, Quadient S.A. recognized a loss on investments of 28.6 million euros, after incorporating its receivable of 25.2 million euros in the recapitalization and subsequent reduction in the share capital of Quadient Shipping, reducing it to a value of 3.8 million euros.

Impairment of securities and receivables

Quadient S.A. has written down its receivables from Quadient Italy Srl for a total of 29.2 million euros, and the value of its shares for 1.2 million euros.

Quadient S.A. also wrote down its receivable from Quadient Rental Italy Srl for 12.7 million euros.

The impairment of Quadient Shipping shares has also been adjusted from 7.9 to 3.8 million euros.

On 31 January 2024, the impairment test carried out on investments in associates led to an additional impairment of 6.5 million euros on its Australian subsidiary Neopost Holdings Pty Ltd, resulting in a net value of shares of 1.7 million euros.

Quadient: Bpifrance takes a c.5% stake in Quadient's capital to support its transformation and development strategy

On 27 July 2023, Bpifrance announced that it holds c.5% of Quadient's capital and voting rights. This investment is in line with Bpifrance's strategy to support French companies undergoing transformation and positioned in promising fast-growing activities. By acquiring a stake in Quadient's capital, Bpifrance is demonstrating its confidence in the Company's development strategy in key attractive markets.

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Quadient signs a 90 million euros stimulus participating loan, at attractive conditions, contributing to the financing of its growing connected equipment platform

On 20 June 2023, Quadient S.A. announced the closing of a 90 million euros stimulus participating loan (*Prêt Participatif Relance* - PPR). This stimulus participating loan, which was implemented with BNP Paribas, has an 8-year maturity and attractive conditions. It will be dedicated to financing connected equipment under Quadient's subscription business model.

Partial purchase by Quadient under its 325 million euros; 2.25% notes due 2025

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The outstanding nominal amount of the Notes after this partial purchase is now 278.6 million euros.

NOTE 2 MAIN ACCOUNTING PRINCIPLES

The financial statements closed on 31 January 2024 are prepared in accordance with the measures of the French commercial code (articles L.123-12 to L.123-28), of the French accounting rules authority (ANC) regulation no. 2014-03.

The following rules are applied in accordance with the prudence principle:

- business continuity;
- independence of financial years;
- continuity of accounting methods from one year to another;

- and, in accordance with the general rules of establishment and presentation of annual financial statements.

The basic method for valuing accounting entries is the historical cost method.

Concerning, the borrowings issue costs the Company chose to apply the spread of issue costs over the contract duration.

NOTE 3 INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible fixed assets are valued at their acquisition cost (purchase price plus related expenses).

Assets are amortized on a straight-line basis according to their useful lives.

The most common amortization periods are as follows:

- IT implementation projects: five or seven years;
- software: five years;
- fixtures: ten years;
- office furniture and equipment: four, five or eight years.

	Intangible fixed assets	Tangible fixed assets
Gross value as of 31 January 2023	41.2	0.3
Acquisitions	-	-
Disposal, write off	-	-
Gross value as of 31 January 2024	41.2	0.3
Amortization as of 31 January 2023	(41.2)	(0.2)
Amortization charges and depreciations	-	-
Other changes	-	-
Amortization as of 31 January 2024	(41.2)	(0.2)
NET BOOK VALUE AS OF 31 JANUARY 2024	0.0	0.1

NOTE 4 FINANCIAL ASSETS

Financial assets are valued at their acquisition cost (purchase price plus related expenses) or at their contribution value.

The valuation of investment in affiliates is reviewed each year. An impairment test is carried out at least once a year through the projection of future cash flows. These cash flows are based on revenue and operating income growth assumptions over five years. The discounting rate is the

weighted average cost of capital after tax to which a specific risk premium might be added. Impairment is recorded when the asset's recoverable amount is lower than its carrying amount.

This category includes the deposit account opened at Exane BNP Paribas for the liquidity contract, which has investments in money market funds.

	31 January 2024	31 January 2023
Investments - Gross Value	1,000.6	971.4
Impairment of the Investments	(100.3)	(102.2)
Investments - Net value	900.3	869.2
Loans to subsidiaries	348.9	314.8
Impairment of the loans	-	-
Loans - Net value	348.9	314.8
Partech Entrepreneur II	1.9	2.1
X'Ange Capital 4	2.4	1.9
FPCI (Professional Private Equity Funds)	4.3	4.0
Liquidity contract	1.2	1.4
TOTAL FINANCIAL ASSETS	1,254.7	1,189.4

The portfolio of investments is detailed in the table of subsidiaries and equity interest (note 14).

Changes in the financial assets gross value over the period are due to:

- the 38.8 million euros capital increase in Quadient Holding Inc.;
- the 3.3 million euros capital decrease in Quadient Shipping;
- the disposal of RENA's shares for 6.3 million euros;
- the distribution received from Partech Entrepreneur II for 0.2 million euros;
- the contribution paid to X'Ange Capital 4 for 0.5 million euros;

- the decrease of the liquidity contract of 0.2 million euros;
- the increase of the loans to subsidiaries of 34.1 million euros;

An impairment test has been carried out on financial investments as of 31 January 2024. Changes in the investments' impairment are explained by the followings:

- the depreciation reversal of RENA for 6.3 million euros in relation with the dissolution of the Company;
- the depreciation of Quadient Italy Srl's investments for 1.2 million euros;
- the 3.3 million euros adjustment to impairment on Quadient Shipping's investments;
- the additional depreciation of Neopost Holdings Pty Ltd investments for 6.5 million euros.

NOTE 5 RECEIVABLES

Trade receivables are valued at their nominal value. When appropriate, depreciations have been booked to take into potential recovery difficulties.

	31 January 2024	31 January 2023
Subsidiary current accounts – cash facility		
Quadient Finance Ireland Ltd	115.1	122.4
Quadient Finance USA Inc.	41.1	34.2
Quadient Software Inc.	32.5	-
Quadient Leasing USA Inc.	30.6	37.5
Quadient Canada Ltd	27.5	13.7
Quadient Italy Srl	27.3	23.6
Quadient UK Ltd	25.3	16.1
Quadient Industrie France	18.9	0.0
YayPay Inc.	13.8	11.3
Quadient Rental Italy Srl	12.7	12.7
Other subsidiaries *	66.7	65.4
Total subsidiary current accounts	411.5	367.4
Accounts receivables (intercompany billing services)	25.1	14.7
Tax receivables	5.8	6.3
Other receivables	2.1	4.3
Total gross value	444.5	392.7
Impairment	(41.9)	-
TOTAL NET VALUE	402.6	392.7

* The ten most important receivables are detailed, the other receivables are grouped on the line "Other".

Changes in the receivables gross value over the period are due to:

- the increase of short term advances to subsidiaries for 44.1 million euros;
- the decrease of the State's receivable of 0.5 million euros, due to the decrease of the VAT's receivable of 0.4 million euros and the decrease of the corporate tax's receivable of 0.1 million euros ;

- the decrease of the other receivables for 2.2 million euros;

Changes in depreciations of receivables over the period are explained by the depreciation recorded on Quadient Italy Srl's receivable for 1.9 million euros and Quadient Italy Srl's current account for 27.3 million euros, and by Quadient Rental Italy Srl's advance for 12.7 million euros.

The trade receivables settlement period is 30 days.

The receivables breakdown by maturity at 31 January 2024 is as follows:

	Gross value	Less than 1 year	More than 1 year
Loans to subsidiaries	348.9	42.6	306.3
FPCI (Professional Private Equity Funds)	4.3	0.5	3.8
Liquidity contract	1.2	-	1.2
Tax receivables	5.8	1.8	4.0
Subsidiaries current accounts	411.5	411.5	-
Receivables on intercompany billing services	25.1	25.1	-
Other receivables	2.1	2.1	-
TOTAL	798.9	483.6	315.3

NOTE 6 SHORT-TERM INVESTMENTS AND CASH & CASH EQUIVALENTS

Short-term investments and cash & cash equivalents are made up of treasury shares, short term securities and cash & cash equivalents. Short-term securities are valued using the First In First Out (FIFO) method. When the realizable value is lower than the acquisition cost, depreciation is recorded in the financial result for the amount of that difference.

Concerning free share attributions and as soon as it is likely that the entity will deliver existing shares to the plan beneficiaries, a liability should be accounted for, on the basis of a probability that an outflow of resources will be necessary. The value of the outflow of resources is estimated on the basis of the probable cost of buying back the shares if they are not already held or of their entry cost on the date of plan allocation, determined in accordance with the following principles:

- if the allocation of free shares is subject to the fact that the beneficiary is still in the Company's staff during a certain period of time, the accounting method for this liability is spread over the vesting period. The free shares attribution expenses are recorded in the income statement on the line employees expenses;
- the treasury shares allocated to specific plans remain measured at the acquisition cost and will not be depreciated. The booking cost is the acquisition cost (if the shares have been allocated to a specific plan since their acquisition) or their net book value at the plan allocation date in the case of a future allocation. The shares acquired with a view to be attributed to employees and that are not attached to a determined plan remain measured according to general rules that apply to marketable securities.

	31 January 2024	31 January 2023
Short-term investments and cash & cash equivalents		
Treasury shares	1.6	1.3
Short-term securities	-	-
Cash & cash equivalents	70.2	97.5
TOTAL	71.8	98.8

Treasury shares

The number of treasury shares at 31 January 2024 is 83,453 of which 72,416 are held for the liquidity contract and 11,037 with the aim of fulfilling the obligations of free share plans attributed to employees and directors of the Group.

Under the liquidity contract, shares cannot be sold freely except if the contract is cancelled. This contract was signed with Exane BNP Paribas on 2 November 2005 for one year and is renewable by tacit agreement. The amount allocated to this contract was initially eight million euros. The purpose is to reduce excessive volatility of the Quadient share and to improve liquidity.

Transactions in 2023 are the following:

	31 January 2023		Bought		Sold		Cancelled		Free shares delivery		31 January 2024	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Liquidity contract	51,321	0.7	423,740	7.8	(402,645)	(7.1)	-	-	-	-	72,416	1.4
Coverage of obligations	22,160	0.6	30,000	0.6	-	-	-	-	(41,123)	(1.0)	11,037	0.2
TOTAL	73,481	1.3	453,740	8.4	(402,645)	(7.1)	-	-	(41,123)	(1.0)	83,453	1.6

NOTE 7 TRANSACTIONS IN FOREIGN CURRENCIES

A translation adjustment is determined for each asset or liability denominated in a foreign currency, at the closing exchange rate. Translation differences are offset between

assets and liabilities denominated in one currency and having the same maturity, to determine the foreign exchange losses provision.

Assets and liabilities translation differences are offset between hedging financial instruments (exchange rate futures) and the appropriate receivables and payables, to determine the provision. This offset amounted to 1.9 million euros as of 31 January 2024 and the provision is recorded for an amount of 2.1 million euros. As of 31 January 2024, the translation adjustment asset comes out

at 18.0 million euros and the translation adjustment liability at 16.1 million euros.

The revaluation of the current accounts in foreign currencies, bank accounts in foreign currencies and associated hedges is accounted in the financial result of Quadiant S.A. as of 31 January 2024.

NOTE 8 SHAREHOLDERS' EQUITY**8-1: Capital**

As of 31 January 2024, the share capital totalled 34.5 million euros divided into 34,468,912 ordinary shares with a par value of 1 euro each, the share capital is fully released.

8-2: Additional paid-in capital

Additional paid-in capital represents the net amount received by the Company in excess of the par value on issuance, fully distributable. As of 31 January 2024, additional paid-in capital amounts to 51.4 million euros.

8-3: Reserves and retained earnings

This item mainly comprises cumulated net income over the years and dividend payments.

8-4: Dividend per share

Retained earnings before appropriation of 2023 net income amount to 440.1 million euros as of 31 January 2024 compared with 410.1 million euros as of 31 January 2023.

A dividend of 0.65 euros, 8% higher than last financial year, should be paid, subject to 14 June 2024 General Meeting's approval in relation to the 2023 financial results. If approved, the dividend will be paid in cash and in one instalment.

The dividend distributed in relation to the 2022 financial results was 0.60 euros, and it was paid in cash the 7 August 2023.

NOTE 9 CONTINGENCY AND LOSS PROVISIONS

Contingency and loss provisions, are intended to cover risks and expenses that are likely because of past or ongoing events, and whose amount or maturity are uncertain. The provision amount corresponds to the best estimate of the cash-out with no equivalent offset.

	31 January 2023	Added	Used	Non-used	31 January 2024	Maturity
Contingency provisions						
Unrealized foreign exchange losses	2.1	-	-	-	2.1	n/a
Total contingency provisions	2.1	-	-	-	2.1	
Loss provisions						
Retirement indemnities	1.1	-	-	(0.1)	1.0	n/c
Treasury shares	0.6	-	-	(0.4)	0.2	1 to 2 years
Others	0.1	-	(0.1)	-	-	n/a
Total loss provisions	1.8	-	(0.1)	(0.5)	1.2	
TOTAL	3.9	-	(0.1)	(0.5)	3.3	

Treasury shares

As of 31 January 2024, the Group has 72,416 shares held for the liquidity contact and 11,037 shares to fulfil the commitments on the stock-option and free share attribution programs for employees and Group executives, compared with 51,321 shares and 22,160 shares as of 31 January 2023.

	Number	31 January 2023	Added	Used	Non-used	Number	31 January 2024
Total	22,160	0.6	(41,123)	(1.0)	30,000	11,037	0.2

NOTE 10 FINANCIAL DEBTS

As of 31 January 2024 and 31 January 2023, financial debts break down as follows:

	Less than one year	One to five years	More than five years	31 January 2024	31 January 2023
Bond Issue – Quadient S.A. 2.25% ^(a)	6.0	267.3	-	273.3	331.5
<i>Schuldschein</i> ^(b)	44.0	345.6	-	389.6	447.6
Revolving credit facility ^(c)	0.1	-	-	0.1	0.2
Bond BPI France ^(d)	0.2	7.4	-	7.6	10.2
Short-term negotiable securities NEU CP ^(e)	-	-	-	-	30.0
Stimulus Participating Loan (<i>Prêt Participatif Relance</i> - PPR) ^(f)	0.5	45.0	45.0	90.5	-
Loan Quadient Ireland Ltd	0.6	-	-	0.6	0.6
TOTAL	51.4	665.3	45.0	761.7	820.1

- (a) Quadient issued a 325 million euros public bond on 23 January 2020 listed on Euronext Paris under ISIN number FR0013478849 after filing a prospectus with the Autorité des Marchés Financiers (approval number 20-018 of 21 January 2020). This bond carries a fixed interest of 2.25% and is payable on 3 February 2025. IFRS accounting entails an initial debt of 323.1 million euros, representing a debt issued at 2.3750%. On 31 January 2024, the outstanding nominal amount of the notes is 267.6 million euros.
- (b) In February 2017, Quadient concluded private placements under German law (*Schuldschein*) consisting of ten tranches with different maturities between three and six years for a total amount of 135.0 million euros and 86.5 million United States dollars. Quadient repaid 57 million euros in February 2023. This debt has been fully repaid.
In May 2019, Quadient concluded private placements under German law (*Schuldschein*) consisting of nine tranches with different maturities between four and seven years for a total amount of 130.0 million euros and 90.0 million United States dollars. Between 2021 and 2023, Quadient repaid 79.5 million euros and 71.0 million United States. On 31 January 2024, the outstanding amount is of 50.5 million euros and 19.0 million United States dollars.
In February 2020, Quadient concluded private placements under German law (*Schuldschein*) consisting of four tranches with different maturities between four and five years for a total amount of 30.5 million euros and 13.0 million United States dollars.
In November 2021, Quadient concluded private placements under German law (*Schuldschein*) consisting of twelve tranches with different maturities between five and seven years for a total amount of 170.0 million euros and 105.0 million United States dollars.
- (c) On 15 June 2023, Quadient arranged a revolving credit line for drawdown in euros and in United States dollars for an initial amount equivalent to 300.0 million euros for a period of five years. The interest rate is indexed to the EURIBOR or compounded SOFR over the relevant drawdown period plus a margin depending on the debt coverage ratio by the EBITDA calculated on the Group's consolidated financial statements excluding leasing activities. At the end of January 2024, Quadient does not use that credit facility.
- (d) On 26 August 2022, Quadient S.A. concluded a loan with BPI France for a total amount of 10 million euros for a period of four years annually amortized. Quadient repaid 2.5 million euros in September 2023.
- (e) On 26 June 2023, Quadient updated the program of short-term negotiable securities (New European Commercial Paper - NEU CP) for 200.0 million euros. The documentation is available on the Banque de France website (<https://eucpmtn.banque-france.fr/public/#/liste-des-emetteurs/0d8c9dec-b611-ea11-80f7-001dd8b71ea9>). On 31 January 2024, Quadient hasn't issued securities.
- (f) On 20 June 2023, Quadient concluded a 90.0 million euros stimulus participating loan (*Prêt participatif Relance* - PPR). This stimulus participating loan has an 8-year maturity and is repayable in half-yearly instalments from 20 December 2027.

With the exception of the bond issue – Quadient S.A. 2.25% which is not subject to any covenant, the various debts (*Schuldschein* and revolving credit facilities) are subject to financial covenants based on consolidated financial statements. Failure to comply with these covenants may lead to early repayment of the debt. Quadient complies with all covenants as of 31 January 2024.

Debts maturity as of 31 January 2024 is as follows:

	Gross value	Less than 1 year	One to five years	More than 5 years
Bonds issue – Quadient S.A. 2.25%	273.3	6.0	267.3	-
<i>Schuldschein</i>	389.6	44.0	345.6	-
Bank loans	7.7	0.3	7.4	-
Short term marketable securities	-	-	-	-
Stimulus Participating Loan (<i>Prêt Participatif Relance</i> - PPR)	90.5	0.5	45.0	45.0
Quadient Ireland Ltd loan	0.6	0.6	-	-
Trade payables	21.1	21.1	-	-
Tax and social security liabilities	0.2	0.2	-	-
Other debts	508.6	508.6	-	-
TOTAL	1,291.6	581.3	665.3	45.0

NOTE 11 INCOME STATEMENT

11-1: Operating income

Quadient S.A.'s operating loss amounts to 4.9 million euros compared to a loss of 1.1 million euros for the previous year, and it breaks down as follows:

	31 January 2024	31 January 2023
Assistance to subsidiaries	18.7	20.4
Brand royalties	9.3	8.7
Rebilling of costs paid on behalf of subsidiaries	6.7	7.0
Reversal of depreciation and amortization, transfer of expenses	0.3	0.7
Other revenues	0.0	0.0
Revenue from operations	35.0	36.8
Wages, bonuses, commissions and payroll charges	(10.1)	(10.2)
Fees	(5.7)	(5.7)
Expenses related to acquisitions	(3.5)	(3.4)
Purchases, maintenance	(0.3)	(0.3)
Transport and travel, seminars	(1.5)	(1.7)
Staff seconded	(12.9)	(9.7)
Insurance	(1.6)	(0.8)
Taxes	(0.6)	(0.6)
Rents and associated costs	(0.5)	(0.9)
Compensation of directors	(0.5)	(0.5)
Treasury shares delivered (for the allocation of free shares)	(1.0)	(1.9)
Borrowing expenses	(0.1)	(0.1)
Depreciation and amortization expenses	(1.2)	(1.7)
Other expenses	(0.4)	(0.4)
Operating expenses	(39.9)	(37.9)
OPERATING INCOME	(4.9)	(1.1)

The management fees contracts and brand name contracts generate an income of 28.0 million euros as at 31 January 2024 compared with 29.1 million euros as at 31 January 2023.

11-2: Financial income

Financial result is a loss of 41.4 million euros compared with a profit of 49.4 million euros a year before, and it breaks down as follows:

	31 January 2024	31 January 2023
Interest expenses on external borrowings	(29.3)	(23.0)
Net income on internal loans and borrowings	20.5	17.4
(Loss)/profit on receivables related to investments	1.1	(9.7)
Loss on investments in affiliates	(34.9)	(4.6)
Dividends received	39.8	70.0
External Financial income	3.7	0.3
Other financial products	1.9	2.0
Net gain on foreign exchange and swaps	(4.6)	(2.9)
(Provision)/reversal for losses on foreign exchange	(0.0)	(2.1)
(Provision)/reversal of impairment on short-term receivables	(41.9)	2.7
(Provision)/reversal of impairment on investments in affiliates	1.8	(2.6)
(Provision)/reversal of impairment on loans	-	-
(Provision)/reversal of impairment on treasury shares	0.4	1.9
TOTAL	(41.4)	49.4

11-3: Extraordinary income

Quadient S.A.'s extraordinary gain amounts to 0.4 million euros compared with a loss of 0.4 million euros as of 31 January 2023.

Treasury shares disposals under the liquidity contract generate extraordinary income from capital transactions for 0.3 million euros (0.4 million euros of 31 January 2023) and

extraordinary expenses from capital transactions for 0.0 million euros (0.8 million euros as of 31 January 2023). Extraordinary income from management operations amounted to 0.1 million euros.

11-4: Income tax

Quadient S.A. is the parent company of an integrated tax group under the terms of article 223A of the French general tax code. In this context, Quadient S.A. is only liable for income tax due by its subsidiaries with a view to determining the whole Group's earnings. The tax consolidation agreement used in the Group is based on the principle of neutrality and plan that the tax burden is borne

by the Company as in the absence of tax consolidation. The tax is thus calculated on the Company's own taxable income. The tax savings realized by the Group, through losses, adjustments or tax credits, are retained by the parent company and regarded as an immediate gain for the year (in a year in which the Company shows some profits, the parent company will then bear a tax charge).

Non-deductible tax expenses:

In accordance with article 223 *quater* of the French general tax code, the financial statements for the financial year ended the 31 January 2024 contain 87,953 euros of non-deductible expenses for income tax (article 39-4 of the French general tax code), but do not contain overhead costs, which are non-deductible for tax purposes (article 39-5 of the French general tax code).

The French tax consolidation group includes the following companies in 2023:

- Quadient France;
- Quadient Finance France;

- Quadient Industrie France S.A.;
- Quadient Technologies France;
- Quadient Shipping.

For financial year 2023, a tax benefit coming from the tax consolidation is recorded for 7.6 million euros (4.0 million euros for 2022), and a tax charge resulting from the Group tax result for 0.3 million euros. (0.9 million euros as of 31 January 2023)

Losses carried forward amount to 61.9 million euros as of 31 January 2024. As of 31 January 2024, the Group tax result submitted to ordinary tax rate is a loss.

Net income is a loss of 38.6 million euros compared to a profit of 51.3 million euros as of 31 January 2023.

	Income before tax	Theoretical tax	Net income
Current income	(46.4)	-	(46.4)
Extraordinary income (loss)	0.4	(0.1)	0.3
Sub-total	(46.0)	(0.1)	(46.1)
Tax credits offsetting	-	0.7	0.7
Effect of tax consolidation	-	6.7	6.7
TOTAL	(46.0)	7.3	(38.6)

NOTE 12 INFORMATION ON ASSOCIATED COMPANIES

Figures for associated companies break down as shown below:

	31 January 2024	Associated companies	
		Majority stake	Minority stake
Financial assets	1,250.4	1,247.9	2.5
Receivables	436.6	436.6	-
Financial debts	0.6	0.6	-
Financial expenses net	50.0	50.0	-
Financial income (interests)	37.4	37.4	-
Financial income (dividends)	39.8	39.4	0.4

NOTE 13 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The foreign exchange forward contracts and options outstanding as at 31 January are reassessed at that date.

Unrealized gains or losses resulting from this reassessment are:

- accounted for in compensation of unrealized gains or losses on assets or liabilities hedged by these instruments;
- deferred if these instruments have been allocated to operations related to the following year.

Concerning the hedging of loans and advances on the current accounts in foreign currencies, the deferral/offset of forward purchases and sales is recognized on a *pro rata temporis* basis in the financial result of the company.

The effects of interest rate hedges (swaps, forward rate agreements, caps, etc.) are calculated using a *pro rata temporis* over the contract's length, and accounted for in interest expenses for the year.

13-1: Liquidity risk

The Group's cash requirement and the debt servicing account form a significant proportion of its cash flow.

The Group believes that its cash flow (defined in the consolidated cash flow statement) will enable it to service its debt, given the current level of business. However, this ability will depend on the Group's future performance, which is partly related to the economic cycle, which the Group cannot control. No guarantee can therefore be given regarding the

Group's ability to cover its financial needs.

Except for the bond issue – Quadient S.A. 2.25% and ODIRNANE which are not subject to any covenant, the various debts (*Schuldschein* and revolving credit facilities) are subject to financial covenants. Failure to comply with these covenants may lead to early repayment of the debt. Quadient complies with all covenants as of 31 January 2024.

13-2: Exchange rate risk hedging

RISK MANAGEMENT POLICY

The Group has a policy of centralizing its exchange risk, enabling the Group to monitor its overall exchange rate exposure and to gain full control over the market instruments used in hedging operations.

For each consolidated position that is managed, the Group implements a hedging strategy at the same time as it sets the reference exchange rate to be defended. The hedging strategy involves a combination of definite or optional forward currency purchases or sales, along with open positions protected by stop losses. These stop losses are predetermined exchange rates that trigger transactions when they are hit. As a result, through the use of mathematical

models, the hedging strategy enables a reference exchange rate to be defended from the start for the entire position in the event of adverse exchange rate fluctuations.

Quadient S.A. uses the services of an independent consultancy based in Paris. This company assists Quadient in the Group's exchange rate risk hedging policy and values its portfolios, thus ensuring continuity of methodology and providing an opinion independent of any financial institution.

Quadient S.A., as the centralizing Company, grants foreign exchange contracts at guaranteed exchange rates to subsidiaries exposed to exchange rate risks, and reverses the resulting positions in the market.

YEAR-END POSITION

The tables below show Quadient S.A.'s year-end hedging positions and commitments to its subsidiaries.

■ **2023 FINANCIAL YEAR – ASSETS AND LIABILITIES HEDGING: HEDGING POSITIONS COVERING FINANCIAL ASSETS OR LIABILITIES ON QUADIENT S.A.'S BALANCE SHEET AT 31 JANUARY 2024 AND EXPECTED TO BE REALIZED NO LATER THAN APRIL 2024**

Notional value	USD	GBP	CAD	NOK	JPY	SEK	CHF	DKK	CZK	SGD	AUD	PLN
Financial assets	9.8	1.5	1.9	1.4	14.0	1.3	0.2	0.6	1.8	0.0	0.3	0.0
Foreign exchange contract assets	39.8	6.1	2.3	4.3	121.1	8.0	2.3	1.3	10.7	0.5	0.5	0.1
Total assets exposure	49.6	7.6	4.2	5.7	140.1	9.3	2.5	1.9	12.5	0.5	0.8	0.1
Financial liabilities	5.6	2.2	2.6	0.1	2.6	0.4	1.5	0.3	2.7	0.1	0.1	-
Foreign exchange contract liabilities	11.6	8.5	0.7	0.5	103.5	5.1	0.6	1.2	13.6	0.9	0.4	0.4
Total liabilities exposure	17.2	10.7	3.3	0.6	106.1	5.5	2.1	1.5	16.3	1.0	0.5	0.4
Net exposure before hedging	32.4	(3.1)	0.9	5.1	34.0	3.8	0.4	0.4	(3.8)	(0.5)	0.3	(0.3)
Hedging	(18.0)	-	(0.5)	(0.2)	(34.0)	(1.2)	(6.5)	(0.4)	4.7	(3.1)	-	(2.3)
NET EXPOSURE AFTER HEDGING	14.4	(3.1)	0.4	4.9	-	2.6	(6.1)	-	0.9	(3.6)	0.3	(2.6)

■ **2024 BUDGET – HEDGING POSITIONS COVERING ANTICIPATED FINANCIAL ASSETS AND LIABILITIES IN FINANCIAL YEAR 2024 EXPECTED TO BE REALIZED NO LATER THAN APRIL 2025**

Notional value	USD	GBP	CAD	NOK	JPY	SEK	CHF	DKK	CZK	SGD	AUD	PLN
Projected financial assets	36.3	6.0	8.5	3.2	41.1	4.1	0.7	1.5	4.2	0.0	0.8	0.0
Foreign exchange contract assets	231.8	45.3	37.3	23.5	792.6	47.9	5.4	12.8	220.1	6.3	8.5	1.4
Total assets exposure	268.1	51.3	45.8	26.7	860.8	52.0	6.1	14.3	224.3	6.3	9.3	1.4
Projected financial liabilities	13.3	2.7	-	0.2	2.3	0.9	3.4	1.3	9.5	0.3	0.2	-
Foreign exchange contract liabilities	218.8	32.3	23.7	1.2	582.8	15.6	0.9	9.4	860.2	2.3	1.2	3.3
Total liabilities exposure	232.1	35.0	23.7	1.4	585.1	16.5	4.3	10.7	869.7	2.6	1.4	3.3
Net exposure before hedging	36.0	16.3	22.1	25.3	275.7	35.5	1.8	3.6	(645.4)	3.7	7.9	(1.9)
Hedging	(25.5)	(6.0)	(6.0)	(7.5)	(160.6)	(13.5)	-	(1.2)	210.0	-	(2.6)	-
NET EXPOSURE AFTER HEDGING	10.5	10.3	16.1	17.8	115.1	22.0	1.8	2.4	435.5	3.7	5.3	(1.9)

Quadient uses symmetric options tunnels in particular. These option instruments are unlikely to be exercised in a reciprocal manner in terms of the spot exchange rate or expiry date. As a result, for each tunnel only one of the two options is reported in the table above. The value of the commitment in these symmetric options is 13.0 million United States dollars sold, 15.0 million Japanese yen sold, 1.8 million Canadian dollars sold 0.8 million Australian dollars sold and 3.5 million Swedish krona sold.

Quadient also makes use of asymmetric option tunnels. The asymmetric part of this kind of options is presented in the table above with a view to reflecting the Group's maximum commitment. The asymmetric part by currency is as follows: 14.5 million United States dollars sold, 1.5 million Canadian dollars sold, 0.6 Australian dollars sold and 3.0 million Swedish krona sold.

HEDGING INSTRUMENTS

The Group hedges its exchange rate risk using over-the-counter derivative instruments contracted with external counterparties.

The derivative instruments used by the treasury department in its hedging strategies are as follows:

- firm derivatives such as forward currency purchases and sales;
- plain vanilla options such as puts and calls;
- second generation options (knock-in or knock-out barrier options).

INSTRUMENT DETAILS

The instruments in the portfolio have a maturity of less than twelve months at 31 January 2024. These instruments are listed below by type and by currency for the period to which they relate.

2023 FINANCIAL YEAR - DERIVATIVES INSTRUMENTS HEDGING POSITIONS AND COMMITMENTS TO SUBSIDIARIES HEDGING

Notional value - Cash flow hedging	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	4.0	19.0	19.5	-	-	28.5
GBP	-	6.0	-	-	-	-
CAD	-	3.3	1.8	-	-	3.3
NOK	2.3	10.0	-	-	-	-
JPY	-	164.7	15.0	-	-	30.0
SEK	1.3	9.5	3.5	-	-	6.5
CHF	-	6.5	-	-	-	-
DKK	-	1.6	-	-	-	-
CZK	214.7	-	-	-	-	-
SGD	-	3.1	-	-	-	-
AUD	-	1.2	0.8	-	-	1.4
PLN	-	2.3	-	-	-	-

2024 BUDGET - DERIVATIVES INSTRUMENTS HEDGING OF ANTICIPATED ASSETS AND LIABILITIES POSITIONS

Notional value - Total	Forward purchases	Forward sales	Put options bought	Put options sold	Call options bought	Call options sold
USD	-	1.0	17.5	-	-	24.5
GBP	-	6.0	-	-	-	-
CAD	-	2.8	1.8	-	-	3.3
NOK	-	7.5	-	-	-	-
JPY	-	130.6	15.0	-	-	30.0
SEK	-	7.0	3.5	-	-	6.5
DKK	-	1.2	-	-	-	-
CZK	210.0	-	-	-	-	-
AUD	-	1.2	0.8	-	-	1.4

INSTRUMENT VALUATIONS

Hedging instruments relating to the 2023 financial year, *i.e.* hedging assets and liabilities on the balance sheet as at 31 January 2024, have been fully valued and recognized at their market value at 31 January 2024. The net market value of these instruments as at 31 January 2024 is close to zero.

Financial instruments relating to the 2024 budget have not been valued in Quadient S.A.'s financial statements. The net market value of these instruments as at 31 January 2024 is (0.1) million euros.

EXCHANGE RATE DEAL COUNTERPARTY RISK

Operations are carried out with first ranked international banks that take part in the revolving credit facility.

HEDGING OF FOREIGN-CURRENCY LOANS AND CURRENT ACCOUNT ADVANCES

Subsidiary	Loan/borrowing/ short-term advance	Currency	Amount	Notional amount of financial instruments ^(a)
Quadient Inc. ^(b)	Short term advance	USD	(6.9)	
Quadient Leasing USA Inc. ^(b)	Short term loan	USD	33.2	
Quadient Leasing USA Inc. ^(b)	Loan	USD	270.0	
Quadient Holdings USA Inc. ^(b)	Short term advance	USD	(41.3)	
Quadient Finance USA Inc. ^(b)	Short term loan	USD	44.5	
Quadient UK Ltd ^(b)	Short term loan	USD	0.8	
Quadient Finance Ireland Ltd ^(b)	Short term advance	USD	2.1	
Quadient Technologies France ^(b)	Short term advance	USD	(0.3)	
Quadient CXM AG ^(b)	Short term advance	USD	3.0	
Quadient Industrie France ^(b)	Short term advance	USD	0.6	
Quadient CXM Canada Inc. ^(b)	Short term loan	USD	4.7	
Quadient Shipping ^(b)	Short term loan	USD	(0.1)	
Neotouch Cloud solutions Dac ^(b)	Short term advance	USD	(2.2)	
Quadient CXM USA Inc. ^(b)	Short term advance	USD	(25.0)	
Quadient Software Inc. ^(b)	Short term advance	USD	34.2	
YayPay Inc. ^(b)	Short term advance	USD	14.9	
Quadient Mexico ^(b)	Short term loan	USD	2.7	265.2
Quadient International Supply Ltd	Short term advance	GBP	(2.1)	
Quadient Technologies France	Short term loan	GBP	0.2	
Quadient UK Ltd	Short term loan	GBP	20.9	
Quadient Finance UK Ltd	Short term loan	GBP	1.1	
Quadient Industrie France	Short term loan	GBP	0.0	
Quadient CXM UK Ltd	Short term advance	GBP	(0.5)	
Quadient Technologies UK Ltd	Short term advance	GBP	(11.5)	
Quadient Finance Ireland Ltd	Short term loan	GBP	36.8	
Quadient Data UK Ltd	Short term loan	GBP	1.7	
Neotouch Cloud solutions Dac	Short term loan	GBP	0.2	
Quadient CXM AG	Short term advance	GBP	1.6	
Quadient Solutions Ltd	Short term loan	GBP	4.6	
YayPay UK Ltd	Short term loan	GBP	2.1	48.8
Quadient Switzerland AG	Short term loan	CHF	4.8	
Quadient Technologies France	Short term loan	CHF	(0.2)	
Quadient CXM AG	Short term advance	CHF	(157.4)	
Quadient Finance Switzerland AG	Short term advance	CHF	0.2	
Quadient CXM Switzerland	Short term advance	CHF	(9.8)	
Quadient Finance Ireland Ltd	Short term loan	CHF	8.4	(127.6)
Quadient Japan	Short term loan	JPY	400.0	
Quadient Industrie France	Short term loan	JPY	6.1	
Quadient Singapore Pte Ltd	Short term advance	JPY	(276.2)	
Quadient Italy Srl	Short term advance	JPY	(0.3)	
Packcity Japan	Loan	JPY	1,285.2	1,412.0
Quadient Norge AS	Short term loan	NOK	44.7	
Quadient Finance Norge AS	Short term advance	NOK	(5.6)	
Quadient Finance Ireland Ltd	Short term loan	NOK	8.6	50.9
Quadient Sverige AB	Short term advance	SEK	(7.0)	
Quadient Finance Ireland Ltd	Short term loan	SEK	41.2	
Quadient Finance Sweden AB	Short term advance	SEK	(6.8)	26.4
Quadient Finance Ireland Ltd	Short term loan	DKK	15.4	

Subsidiary	Loan/borrowing/ short-term advance	Currency	Amount	Notional amount of financial instruments ^(a)
Quadient CXM Denmark Aps	Short term loan	DKK	6.2	
Quadient Industrie France	Short term loan	DKK	0.4	
Quadient Denmark A/S	Short term advance	DKK	(22.3)	
Quadient Finance Denmark Aps	Short term advance	DKK	(5.7)	(6.7)
Quadient Canada Ltd	Loan	CAD	62.1	
Quadient Canada Ltd	Short term loan	CAD	40.0	
Quadient CXM AG	Short term loan	CAD	0.4	
Quadient CXM Canada Inc.	Short term advance	CAD	1.8	105.6
Quadient CXM AG	Short term advance	CZK	(60.5)	
Quadient Technologies Czech s.r.o	Short term advance	CZK	(124.7)	
Quadient CXM Czech s.r.o	Short term advance	CZK	47.7	(137.6)
Quadient Poland SP z.o.o	Short term loan	PLN	0.0	0.3
Quadient Asia Pacific Holding Pty Ltd	Short term advance	SGD	(0.9)	
Quadient Industrie France	Short term loan	SGD	0.1	
Quadient Software Inc.	Short term loan	SGD	0.1	
Quadient CXM AG	Short term loan	SGD	0.6	
Quadient Singapore Pte Ltd	Short term advance	SGD	(6.4)	(6.7)
Quadient Finance Ireland Ltd	Short term loan	AUD	23.6	
Quadient Asia Pacific Holding Pty Ltd	Short term loan	AUD	(2.5)	
Quadient Finance Australia Pty Ltd	Short term loan	AUD	(0.7)	
Quadient Australia Pty Ltd	Short term advance	AUD	(3.5)	
Quadient CXM AG	Short term loan	AUD	(0.5)	15.4

(a) Notional amount of financial instruments equals to financial instruments, external financial debts, bank account balances.
(b) Quadient S.A. naturally hedges these loans by debts in United States dollars (Schuldschein, revolving credit facility).

13-3: Hedging of interest rate risk

RISK MANAGEMENT POLICY

To limit the impact of a rise in interest rates on its interest expenses, the Group has a risk-hedging policy aimed at protecting a maximum annual interest rate for the three years ahead at all times. Management horizon used is rolling in order to always have three years of management.

The Group has a policy of centralizing its interest rate risk, enabling it to monitor the Group's overall interest rate risk exposure and to gain full control over the market instruments used in hedging operations. The Group hedges its interest rate risk depending on its current debt levels, but also according to likely future movements in debts, arising from drawings on its revolving credit facilities.

Financial instruments are carried by the legal entities that have the corresponding debt on their balance sheet.

YEAR-END POSITION

A hedging strategy is adopted on the basis of the position to be managed and the reference interest rate adopted. The strategy is aimed at protecting the reference interest rate and at taking advantage, at least to some extent, of favorable movements. Hedging strategies involve definite and optional derivative instruments, and open positions are maintained if possible. The valuation of the open position based on market forward interest rates, along with the interest rates obtained through hedging operations, should always protect the reference interest rate. Hedging strategies cover the period of three years ahead at all times. However, the level of coverage and the weightings of the various derivative instruments may vary from one year to the next, since the aim is to maintain greater scope for optimizing positions in later years.

Quadient S.A. works with the same consultancy for hedging both interest rate risk and exchange rate risk.

The table below sets out Quadiant S.A.'s year-end position.

	EUR	USD
Financial assets	-	-
Financial liabilities	603.3	157.8
Net exposure before hedging	(603.3)	(157.8)
Fixed-rate debt	439.8	56.3
Hedging	150.0	265.0

HEDGING INSTRUMENTS

The Group uses standard and liquid derivative instruments. The instruments used are as follows:

- firm derivatives: swaps and Forward Rate Agreement (FRA);
- plain vanilla options: caps and floors (used either alone or in combination);

- knock-in or knock-out barrier options: caps and floors (used either alone or in combination);

- swaptions (used either alone or in combination).

Management mandates, packaged bank hedging products and derivative instruments that introduce a reference other than the underlying assets (*quanto* swaps for example) are strictly forbidden by internal procedures.

INSTRUMENTS' DETAILS

The instruments in the portfolio as of 31 January 2024 are listed below, according to type, currency and maturity.

Notional value	Currency	Less than 1 year	1 to 5 years	Maturity more than 5 years
Cross currency swap – Lender EUR/Borrower USD	EUR/USD	-	19.0/21.2	-
Swap – receiver	USD	-	11.0/11.6	-
Cap – buyer	USD	20.0	135.0	-
Cap – buyer	EUR	35.0	25.0	-
Floor – seller	USD	-	65.0	-
Floor – seller	EUR	-	25.0	-
Cap – seller	USD	20.0	50.0	-
Call swaption – buyer	EUR	-	-	100.0
Put swaption – seller	EUR	-	-	100.0

INSTRUMENTS VALUATION

The valuation of the aforementioned instruments is not included in the financial statements at 31 January 2024.

For information, at the end of the financial year, the valuation of these instruments with the IFRS is an asset of 5.3 million euros.

CUSTOMER CREDIT RISK

As Group's parent holding company, Quadiant S.A. is not exposed to any customer credit risk.

PLEDGES OF INVESTMENT SECURITIES

None.

COMMITMENTS RECEIVED

No significant commitment received as of 31 January 2024.

OTHER COMMITMENTS GIVEN

	Currency	31 January 2024	31 January 2023
Bank guarantee in favor of the Irish postal service	EUR	1.7	1.7
Partech Entrepreneur II – Investment commitment	EUR	0.1	0.1
X'Ange 4 – Investment commitment	EUR	2.6	3.1

NOTE 14 SUBSIDIARIES AND EQUITY INTERESTS

Company name	Equity	Value of investments		Value of loans and advances		2023 net income	2023 sales	Dividends paid
		Gross value	Net book value	Gross value	Net book value			
Quadient France								
Rueil-Malmaison – France	EUR 120.1	EUR 197.4	EUR 197.4	EUR 0.0	EUR 0.0	EUR 19.3	EUR 138.8	EUR 18.1
Quadient Finance France								
Rueil-Malmaison – France	EUR 11.5	EUR 8.6	EUR 8.6	EUR 0.0	EUR 0.0	EUR 1.0	EUR 31.7	EUR 0.5
Quadient Industrie France								
Bagneux – France	EUR 31.5	EUR 0.0	EUR 0.0	EUR 39.5	EUR 39.5	EUR 11.4	EUR 258.2	-
Quadient Shipping								
Cavaillon – France	EUR 4.4	EUR 3.8	-	EUR 1.4	EUR 1.4	EUR (8.4)	EUR 10.4	-
Packcity SASU								
Cavaillon – France	EUR 0.9	EUR 1.3	EUR 1.3	-	-	EUR (0.3)	-	-
Quadient SAS A								
Bagneux – France	EUR 0.0	EUR 0.0	EUR 0.0	-	-	-	-	-
Quadient SAS 2								
Bagneux – France	EUR 0.0	EUR 0.0	EUR 0.0	-	-	-	-	-
Docapost BPO IS								
Ivry-sur-Seine – France	EUR 28.0	EUR 2.4	EUR 2.4	-	-	EUR 1.1	EUR 83.8	EUR 0.4
AMS Investissement								
Paris. 9 th – France	EUR 0.5	EUR 0.1	EUR 0.1	-	-	-	-	-
Quadient Holding Netherlands bv								
Drachten – The Netherlands	EUR 28.3	EUR 26.0	EUR 26.0	-	-	EUR (21.5)	-	-
Quadient Italy Srl								
Milan – Italy	EUR (26.2)	EUR 1.3	EUR 0.0	EUR 27.3	EUR 0.0	EUR (7.4)	EUR 8.2	-
Quadient Belgium Nv								
Zaventem – Belgium	EUR 14.6	EUR 0.5	EUR 0.5	-	-	EUR 1.3	EUR 12.9	-
Quadient Ireland Ltd								
Dublin – Ireland	EUR 7.7	EUR 1.0	EUR 1.0	-	-	EUR 0.7	EUR 11.6	-
Quadient Finance Ireland Ltd								
Dublin – Ireland	EUR 30.7	EUR 15.0	EUR 15.0	EUR 115.1	EUR 115.1	EUR 15.3	EUR 45.3	EUR 20.9
Neotouch Cloud solutions Dac								
Dublin – Ireland	EUR 12.3	EUR 0.0	EUR 0.0	-	-	EUR 3.2	EUR 16.4	-
Quadient Switzerland AG								
Wallisellen – Switzerland	CHF 0.7	EUR 12.5	EUR 12.5	EUR 4.8	EUR 4.8	CHF 6.5	CHF 12.5	-
Quadient CXM AG								
Appenzell – Switzerland	CHF 122.4	EUR 132.3	EUR 132.3	-	-	CHF 97.7	CHF 20.6	-
Quadient Germany GmbH&Co. KG								
Munich – Germany	EUR 17.2	EUR 43.3	EUR 43.3	-	-	EUR 3.3	EUR 40.6	-
Quadient Holding Germany GmbH								
Munich – Germany	EUR 3.8	EUR 3.3	EUR 3.3	EUR 6.8	EUR 6.8	EUR (0.2)	-	-
Quadient Holdings UK Ltd								
Romford – UK	GBP 54.0	EUR 77.9	EUR 77.9	-	-	GBP (11.0)	-	-
Quadient Technologies Holdings UK Ltd								
Loughton – UK	GBP 3.4	EUR 33.7	EUR 33.7	EUR 0.0	EUR 0.0	-	-	-
Quadient Norge AS								
Oslo – Norway	NOK 11.0	EUR 5.2	EUR 2.4	NOK 44.7	NOK 44.7	NOK 1.5	NOK 77.6	-
Quadient Sverige AB								
Solna – Sweden	SEK 23.7	EUR 13.1	EUR 3.4	EUR 0.0	EUR 0.0	SEK 10.5	SEK 115.0	-
Quadient Denmark A/S								
Rodovre – Denmark	DKK 26.3	EUR 16.1	EUR 1.5	-	-	DKK 0.3	DKK 18.2	-
Quadient Finland Oy								
Helsinki – Finland	EUR 0.8	EUR 2.9	EUR 1.1	-	-	EUR 0.0	EUR 1.9	-

Company name	Equity	Value of investments		Value of loans and advances		2023 net income	2023 sales	Dividends paid
		Gross value	Net book value	Gross value	Net book value			
Quadient Finance Finland Oy Helsinki – Finland	EUR 0.5	EUR 0.0	EUR 0.0	-	-	EUR 0.1	EUR 1.0	-
Quadient Holdings USA Inc. Milford – USA	USD 672.6	EUR 285.1	EUR 285.1	-	-	USD 13.0	-	-
Quadient Canada Ltd Markham – Canada	CAD 61.3	EUR 48.1	EUR 48.1	CAD 102.0	CAD 102.0	CAD (2.7)	CAD 28.5	-
Neopost Asia Pacific (Holding) Pte Ltd Singapore	SGD 1.0	EUR 2.9	EUR 0.6	-	-	-	-	-
Neopost Holdings Pty Ltd Sydney – Australia	AUD 2.9	EUR 43.2	EUR 1.8	-	-	AUD 0.1	-	-
Neopost Shipping Holding Pty Ltd Sydney – Australia	AUD (11.0)	EUR 20.5	EUR 0.0	-	-	AUD 0.1	-	-
Quadient Japan Tokyo – Japan	JPY (138.9)	EUR 3.1	EUR 1.0	JPY 400.0	JPY 400.0	JPY 7.9	JPY 664.4	-
Quadient Mexico Mexico – Mexico	MXN (0.2)	EUR 0.0	EUR 0.0	USD 2.7	USD 2.7	MXN (0.1)	MXN 36.6	-
TOTAL		EUR 1,000.6	EUR 900.3					

NOTE 15 REMUNERATION AND HEADCOUNT

15-1: Headcount

Quadient SA has 45 employees as of 31 January 2024, compared to 46 as of 31 January 2023 headcount.

15-2: Staff costs

The staff costs amount to 11.0 million euros in 2023 compared to 12.1 million euros in 2022 and breaks down as follows:

	31 January 2024	31 January 2023
Compensation	6.5	8.3
Other staff expenses	4.5	3.8
TOTAL	11.0	12.1

Other staff expenses include amounts recognized for employee benefits (social security, works...), pension, free share delivered, and remuneration of non-executive directors.

In 2022, other staff expenses included a 2.1million euros credit related to an income to receive from URSSAF relating to an overpayment of social security contributions on free share allocation plans from 2012 to 2015.

15-3: Post-employment benefits commitments

The Company accounts for its pension commitments in accordance with ANC recommendation no. 2013-02 on the rules for measuring and recognizing pension commitments and similar benefits.

Quadient S.A.'s employees have a defined contribution pension plan (article 83 of the French general tax code), into which is paid a total of 5% of their remuneration, within the limit of five times the maximum amount as determined by Social Security.

The amount of post-employment benefit obligations is determined by an independent actuarial firm based on the number of employees at the end of the financial year.

The amount recognized in Quadient S.A. as total compensation for the Chief Executive Officer is 918.3 thousand euros in 2023, compared with 951.3 thousand euros in 2022. This represents 75% of his salary in France (25% is paid to him in the United States by the subsidiary Quadient Holding Inc. due to the importance of this country in Quadient's activities).

As of 31 January 2024, no loans or guarantees have been granted to any corporate officer.

As of 31 January 2024, there were no post-employment commitments such as compensation, indemnities or benefits granted by the Company to its executive directors.

15-4: Compensation of corporate officers

The Chairman remuneration consists of director's fees and a fixed annual remuneration. Director's fees paid to the Chairman relate to his position as a director of Quadient S.A. The amount recognized in respect of the Chairman's total compensation is 150.0 thousand euros in 2023, same as 2022 amount.

The Chief Executive Officer's compensation consists of a fixed salary, an annual variable salary and a remuneration as director. The variable compensation is based on the Group's results in terms of revenue, current operating profit and cash flow after capital expenditure, representing 70% of the target bonus, supplemented by specific individual performance objectives representing 30%. The variable portion of the Chief Executive Officer's compensation represents 100% of his fixed compensation, if targets are reached, and may be increased to 150% if targets are exceeded.

15-5: Compensation of non-executive directors

As of 31 January 2024, the Board of directors of Quadient SA comprises twelve directors, including the Chairman of the Board, the Chief Executive Officer and two directors representing employees.

Expenses recognized in the financial statements of Quadient SA in respect of the remuneration of non-executive directors amounted to 0.5 million euros in 2023, stable compared to 2022.

The non-executive directors do not receive any compensation other than that paid for their position in the Company.

As of 31 January 2024, no loans or guarantees had been granted or set up in favor of the administrative organs.

As of 31 January 2024, there were no post-employment commitments such as compensation, indemnities or benefits granted by the Company to its non-executive directors.

NOTE 16 POST-CLOSING EVENTS

Between the end of the financial year as of 31 January 2024 and the approval of the statutory financial statements by the Board of directors, there were no significant changes in the Company's commercial or financial situation.

6.5 Statutory auditors' report on the financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended January 31, 2024

To the annual General Shareholders' Meeting of Quadient S.A.,

OPINION

In compliance with the engagement entrusted to us by the shareholders at the Shareholders' General Meetings, we have audited the accompanying parent company's financial statements of Quadient S.A. for the year ended January 31, 2024.

In our opinion, the parent company's financial statements for the year give a true and fair view of the financial position, the assets and liabilities, and the results of the Company as at January 31, 2024, in accordance with French accounting principles.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

BASIS OF OUR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements" section of this report.

Independence

We conducted our audit, in accordance with the independence rules laid out in the French Commercial Code (Code de commerce) and in the code of conduct of the statutory audit profession in France, between February 1, 2023, and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

As required by Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's statutory financial statements and our responses to those risks.

Those assessments were made in the context of our audit of the statutory financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Evaluation of Financial Assets in Subsidiaries:

Identified Risk

Financial assets in subsidiaries amount to EUR 1,254 million net at January 31, 2024.

As described in the note 4 to the annual financial statements ("Financial assets"), financial assets are valued at their acquisition cost or at their contribution value.

An impairment test is carried out at least once a year through the projection of future cash flows.

These cash flows are based on revenue and operating income growth assumptions over five years.

Impairment is recorded when the assets recoverable value is lower than their carrying value.

The result of this test relies on the judgments and estimates of management, on which these assumptions are based. Changes to assumptions could lead to material changes in the estimated recoverable amount.

We consider the valuation of financial assets in subsidiaries to be a key point of the audit matter, in connection with the estimates related to forecasts and to the discount rate used, as well as the involvement of management's judgment and their significant impact in the accounts.

Our Audit Approach

We have mainly performed the following procedures:

- We obtained an understanding of the methodology used by the Company for carrying out the test;
- We have analyzed impairment indicators existence by meeting with Group management on results and perspectives of the affiliates;
- We compared net book value of financial assets with Group's share of net assets of the related subsidiaries.

When applicable we analyzed the value of financial assets resulting from the discounted cash flow method by performing the following procedures:

- We have assessed the consistency of the key assumptions to determine the value of financial assets by challenging the finance department;
- We have assessed the consistency of the growth rates used, and the discount rates applied with market analysis;
- We have assessed the valuation methodology and the arithmetic accuracy of the value calculation.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by laws and regulations.

Information provided in the management report of the Board of Directors and in other documents concerning the financial position of the parent company's financial statements addressed to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest to the fair presentation and the consistency with the parent company's financial statements of the information given with respect to the payment terms referred to in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

We confirm that the management report of the Board of Directors devoted to corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

As regard to the information provided pursuant to the provisions of Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid to and commitments made to the company officers, we have verified that this information is consistent with the parent company financial statements or the data used to prepare the parent company financial statements, and, where applicable, the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.

As regard to the information relating to items that your Company considered capable of having an impact in the event of a public tender or exchange offer, provided in accordance with Article L.22-10-11 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other Information

In accordance with French law, we have ensured that the required information concerning the identity of shareholders and holders of voting rights has been properly disclosed in the management report of the Board of Directors.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of statutory financial statements intended to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the European single electronic format, that the presentation of parent company's financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Commission Delegated Regulation No 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the parent company financial statements intended to be included in the annual financial report complies, in all material aspects, with the European Single Electronic Format.

However, it is not our responsibility to verify that the parent company's financial statements ultimately included by your Company in the annual financial report filed with the AMF corresponds to those on which we performed our work.

Appointment of the Statutory Auditors

We have been appointed as Statutory Auditors of Quadient S.A. by decision of the annual Shareholders' General meeting of June 16, 2022, for MAZARS and by decision of the annual Shareholders' General Meeting of September 7, 1997, for ERNST & YOUNG et Autres.

At January 31, 2024, MAZARS was in their second uninterrupted year of engagement and ERNST & YOUNG et Autres in their twenty-seventh year (including twenty-five years since the company's shares were admitted to trading on a regulated market).

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE IN RELATION TO THE STATUTORY FINANCIAL STATEMENTS

Management is responsible for preparing parent company financial statements that present a true and fair view, in accordance with generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing parent company financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the parent company's financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.

The parent company's financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO AUDITING THE STATUTORY FINANCIAL STATEMENTS

Audit objective and procedure

Our responsibility is to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L.821-55 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit.

In addition :

- They identify and assess the risks that the parent company financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls.
- They familiarize themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control.
- They assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by Management, along with information about those estimates provided in the parent company financial statements.
- They assess whether Management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the parent company financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them.
- They assess the overall presentation of the parent company financial statements and assess whether the parent company financial statements reflect the underlying operations and events so that they give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's parent company financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Paris-La Défense, April 29, 2024

The Statutory Auditors

French original signed by

MAZARS

Francisco Sanchez

ERNST & YOUNG et Autres

May Kassis-Morin



INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

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7.1 Quadient S.A. share capital

7.1.1 SECURITIES GIVING ACCESS TO CAPITAL

Quadient S.A. issues free share plans, which are described in note 10-4-2 of the consolidated financial statements in this Universal Registration Document.

7.1.2 CHANGES IN QUADIENT S.A.'S SHARE CAPITAL

Date	Operation	Issue price per share		Number of shares		
		Par value	Paid-in capital	Issued/ cancelled	Total	Share capital
31/01/2007	Capital increase through the exercise of options	EUR 1	EUR 33.18	315,818	32,222,905	EUR 33,222,905
23/03/2007	Cancellation of treasury stock	EUR 1	EUR 86.62	(776,834)	31,446,071	EUR 31,446,071
31/01/2008	Capital increase through the exercise of options	EUR 1	EUR 37.40	262,853	31,708,924	EUR 31,708,924
01/04/2008	Cancellation of treasury stock	EUR 1	EUR 76.98	(724,364)	30,984,560	EUR 30,984,560
31/01/2009	Capital increase through the exercise of options	EUR 1	EUR 37.94	188,135	31,172,695	EUR 31,172,695
31/03/2009	Cancellation of treasury stock	EUR 1	EUR 21.29	(335,178)	30,837,517	EUR 30,837,517
11/01/2010	Share issue under the interim dividend payment	EUR 1	EUR 53.46	326,501	31,164,018	EUR 31,164,018
31/01/2010	Capital increase through the exercise of options	EUR 1	EUR 38.94	57,869	31,221,887	EUR 31,221,887
11/08/2010	Share issue under the payment of the outstanding balance of the dividend	EUR 1	EUR 52.37	569,868	31,791,755	EUR 31,791,755
11/01/2011	Share issue under the interim dividend payment	EUR 1	EUR 55.98	439,432	32,231,187	EUR 32,231,187
31/01/2011	Capital increase through the exercise of options	EUR 1	EUR 42.29	63,176	32,294,363	EUR 32,294,363
31/07/2011	Capital increase through new shares	EUR 1	EUR (1)	27,370	32,321,733	EUR 32,321,733
04/08/2011	Share issue under the payment of the outstanding balance of the dividend	EUR 1	EUR 51.24	647,183	32,968,916	EUR 32,968,916
11/01/2012	Share issue under the interim dividend payment	EUR 1	EUR 46.93	441,071	33,409,987	EUR 33,409,987
31/01/2012	Capital increase through the exercise of options	EUR 1	EUR 39.37	42,055	33,452,042	EUR 33,452,042
27/07/2012	Capital increase through new shares	EUR 1	EUR(1)	18,820	33,470,862	EUR 33,470,862
03/08/2012	Share issue under the payment of the outstanding balance of the dividend	EUR 1	EUR 33.72	954,426	34,425,288	EUR 34,425,288

Date	Operation	Issue price per share		Number of shares		
		Par value	Paid-in capital	Issued/ cancelled	Total	Share capital
31/01/2013	Capital increase through the exercise of options	EUR 1	EUR 31.03	15,030	34,440,318	EUR 34,440,318
31/01/2014	Capital increase through the exercise of options	EUR 1	EUR 46.78	107,685	34,548,003	EUR 34,548,003
31/01/2015	Capital increase through the exercise of options	EUR 1	EUR 54.89	14,601	34,562,604	EUR 34,562,604
31/01/2016	Capital increase through the exercise of options	EUR 1	EUR 50.00	308	34,562,912	EUR 34,562,912
02/12/2022	Cancellation of treasury stock	EUR 1	EUR 16.18	(94,000)	34,468,912	EUR 34,468,912

7.1.3 BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

Total number of voting rights and shareholders

As of 31 January 2024, the Company's share capital is 34,468,912 euros divided into 34,468,912 shares, with par value of 1 euro, all having the same value and fully paid-up. According to the bylaws, each share carries one voting right. There is no shareholder pact or agreement. Given the large free float, the significant proportion of capital owned by foreign entities and the high trading volumes, the Company does not know the exact number of shareholders. To the Company's knowledge, no shareholder owns more than 3% of its capital other than those mentioned in chapter 3 of this Universal Registration Document.

Pursuant to article 11.2 of the bylaws, in addition to the legal threshold crossing disclosure requirements as defined under articles L.233-7 to L.233-14 of the French commercial code, Quadient S.A. requires any person, acting on his own or in concert, who comes to own directly or indirectly a number of shares representing more than 3% of the share capital or voting rights of the Company, must inform the Company, in writing, by registered letter with acknowledgement of receipt, within fifteen days of the crossing of the threshold and must also indicate in his declaration the number of securities giving access to the share capital of the Company. Beyond the threshold of 3%, any additional crossing of 1% of the capital or voting rights of the Company must be notified to the Company under the aforementioned conditions as long as it does not hold, directly or indirectly, alone or in concert, a total number of shares representing more than half of the Company's capital or voting rights. This requirement was introduced by the Annual General Meeting of 5 October 1998.

At the request, recorded in the minutes of the general meeting, of one or more shareholders holding at least three percent (3%) of the Company's capital or voting rights, non-compliance with this obligation of information is penalized, for shares exceeding the fraction which should have been declared, by the deprivation of the right to vote for any meeting of shareholders which would be held until the expiry of a period of two years following the date regularization of the notification.

Quadient S.A. is controlled neither directly nor indirectly. There is no agreement which might lead to a change of control.

Treasury shares

The number of treasury shares as of 31 January 2024 was 83,453 of which 72,416 shares held within the framework of the liquidity contract and 11,037 shares acquired to fulfil the obligations relating to the stock-option and free share plans awarded to employees or corporate officers.

In 2005, Quadient signed a liquidity contract with Exane BNP Paribas worth a total value of 8 million euros. As of 31 January 2024, the Group owned 72,416 shares within the framework of this liquidity contract, with a book value of 1.4 million euros.

7.1.4 CHANGES IN SHAREHOLDER STRUCTURE

Please refer to the section "Shareholder structure" in chapter 3 "Management report" of this universal registration document.

7.1.5 SUMMARY STATEMENT OF TRANSACTIONS CARRIED OUT ON QUADIENT SHARES REPORTED BY THE PERSON REFERRED TO IN ARTICLE L.621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE (CODE MONÉTAIRE ET FINANCIER)

To Quadient's knowledge, the following transactions took place during the fiscal year 2023 :

Directors	Net change	Number of shares owned as of 31 January 2024	Number of shares owned as of 31 January 2023
Martha Bejar		695	695
Hélène Boulet-Supau ^(a)		3,850	3,850
Valérie Colin		0	N/A
Éric Courteille		267	267
Paula Felstead		2,001	2,001
Geoffrey Godet	+5,868	56,046	50,178
Nathalie Labia		N/A	220
Didier Lamouche		8,000	8,000
Christophe Liaudon	+367	2,066	1,699
Sébastien Marotte		1,901	1,901
Vincent Mercier		13,096	13,096
Richard Troksa		1,500	1,500
Nathalie Wright		1,015	1,015

^(a) 3,850 shares, of which 2,300 were bought by Ms. Boulet-Supau's partner.

7.1.6 PLACE OF THE ISSUING ENTITY IN THE SCOPE OF CONSOLIDATION

Please refer to note 3-4 in chapter 6 "Consolidated financial statements" of this universal registration document.

7.1.7 PLEDGES, WARRANTIES AND SECURITIES ON QUADIENT'S SHARES OR ASSETS

None.

7.2 Quadient shares

7.2.1 MARKET FOR QUADIENT SHARES

Shares

Quadient S.A. shares are listed in compartment B of Euronext Paris market, under the mnemonic QDT and under ISIN code FR0000120560 and is part of the CAC® Mid & Small and EnterNext® Tech 40 indices.

As a reminder, the Group has been listed since 25 September 2019 under the name Quadient, in place of Neopost, and under the mnemonic code QDT, in place of NEO.

AUTHORIZATION FOR BUYING ITS OWN SHARE

In accordance with articles L.225-209 *et seq.* of the French commercial code, Quadient S.A. is authorized to buy back its own shares notably for the purposes of cancelling them and

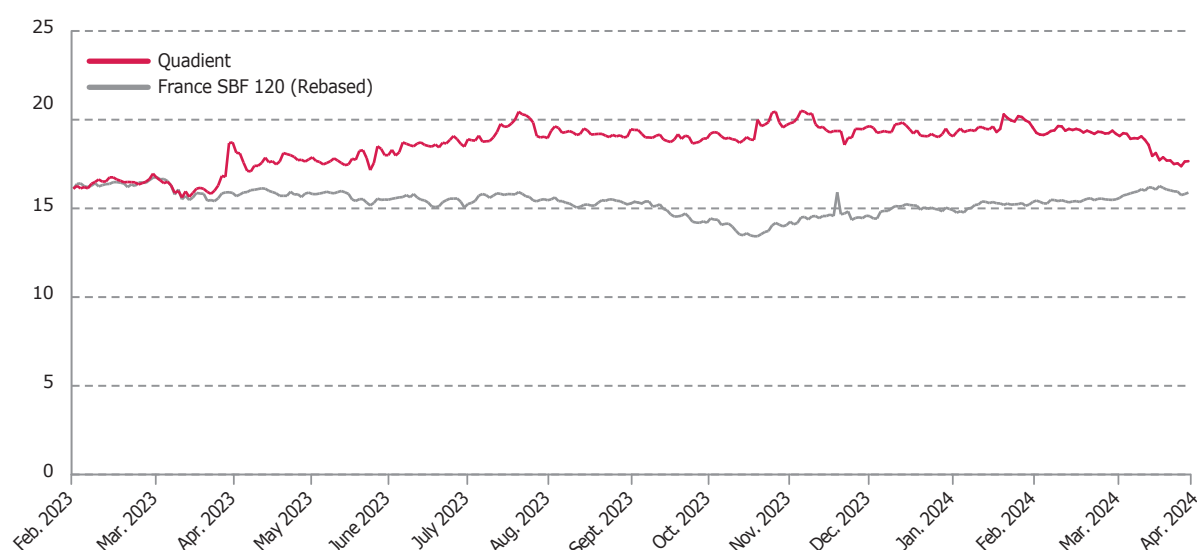
regulating its share price. This authorization was renewed by the 16 June 2022 Annual General Meeting, and is subject to the following conditions:

- maximum purchase price: 50 euros per share;
- maximum ownership percentage: the maximum number of Quadient S.A. shares that Quadient S.A. may acquire under this authorization is equal to 10% of its total number of shares in issue per twenty-four months period;
- duration of the repurchase program: eighteen months.

As of 31 January 2024, Quadient S.A. used this authorization and currently owns 83,453 shares (of which 72,416 shares held within the framework of the liquidity contract), with a book value of 1.6 million euros.

7.2.2 SHARE PRICE PERFORMANCE

Since 1st February 2023 until 18 April 2024 relative to the CAC Mid & Small index:



7.2.3 SHARE PRICE AND TRADING INFORMATION OVER 18 MONTHS

	Highest price (In euros)	Lowest price (In euros)	Average daily trading volume	Average daily trading value (In millions of euros)
October 2022	15.08	13.80	38,148	0.55
November 2022	15.43	13.71	63,199	0.91
December 2022	14.91	11.92	97,479	1.28
January 2023	16.22	13.82	45,883	0.71
February 2023	16.85	15.93	36,938	0.61
March 2023	17.18	15.28	44,671	0.72
April 2023	19.20	17.02	49,915	0.89
May 2023	18.52	17.16	24,012	0.42
June 2023	19.06	17.08	31,828	0.59
July 2023	20.60	18.24	26,309	0.51
August 2023	20.30	18.80	19,678	0.38
September 2023	19.50	17.50	42,640	0.81
October 2023	21.30	18.58	49,904	0.96
November 2023	20.65	17.56	44,769	0.88
December 2023	19.94	18.48	31,223	0.60
January 2024	19.74	18.86	23,732	0.46
February 2024	20.45	19.02	29,674	0.58
March 2024	19.58	18.56	36,226	0.69

Source: NYSE Euronext.

7.2.4 DIVIDENDS

Please refer to chapter 3 “Management report” and chapter 6 “Quadiant S.A. statements of financial position” of this universal registration document.



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8.1 General information

8.1.1 COMPANY NAME AND HEAD OFFICE

Quadient S.A.

42-46, avenue Aristide Briand, 92220 Bagneux, France.

Telephone: +33 1 45 36 30 00.

8.1.2 LEGAL FORM AND JURISDICTION

Quadient S.A. is a public limited company with a Board of directors ("Société Anonyme à Conseil d'administration"), governed by French legislation. Quadient S.A. is ruled by the French Commercial code and by all other applicable laws and regulations. The Company has two Auditors, as required by law (see next pages).

8.1.3 DATE OF INCORPORATION AND TERM

Quadient S.A. (then known as Afisup) was incorporated on 21 February 1995 for a period of 99 years, expiring on 1 September 2094.

8.1.4 CORPORATE PURPOSE (SUMMARY OF ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

Quadient S.A.'s purpose is, in France as in all other countries:

- the study, design, manufacture, development, sale, leasing with or without purchase or sale option, the distribution and the maintenance of machines, material, equipment and software for processing or routing letters or parcels, all other materials, machines, equipment and office software, all accessories for installing or operating the said material, machines, equipment, software as well as all subcontracting operations, the supply of all services and the utilisation of all patents, trademarks, know-how and processes, concerning the said material, machine, equipment and software,
- the acquisition, the letting, the leasing with or without purchase or sale option, the management, utilisation and subsidiarily, the sale of all equipment, fixed, moving, or rolling material, machines and tools, terrestrial, maritime or airborne vehicles in relation with the said activities,
- the ownership, acquisition, construction, letting, leasing with or without purchase or sale option, utilisation, management and subsidiarily, the sale of all workshops, factories, offices, premises and other real estate, in relation to the said activities,
- the study, creation, enhancement, use, management, administration of all commercial, industrial, real estate or financial businesses or enterprises in such business sectors,
- taking direct or indirect interests in all financial, real estate or personal property operations which are connected with such activities as well as taking direct or indirect interests in all concerns involved in such business sectors by creating, or participating in the creation, of all companies, establishments, groupings or joint ventures with a personal property, real estate, commercial, industrial financial activity or by taking immediate or future interests by acquisition, merger, split up, contribution, sleeping partnerships, subscriptions or otherwise in the capital of new or existing companies and more generally the acquisition, holding, management, and the disposal of all investment securities, all interests and all security portfolios as well as the performance of all other industrial, commercial, financial, personal real property operations which may be directly or indirectly connected to the above-mentioned objects.

8.1.5 REGISTRATION

Quadient S.A. is registered with the Nanterre Trade and companies' registry under no. 402 103 907. The APE code is 7010Z. The Legal Entity Identifier (LEI code) is 549300K4W3A51TOPTK67.

8.1.6 CONSULTATION OF LEGAL DOCUMENTS

Documents and information relating to Quadient S.A. may be consulted at the Company's head office.

8.1.7 FINANCIAL YEAR (ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

Each Quadient S.A. financial year lasts twelve months, starting on 1 February and ending on 31 January of the following calendar year.

8.1.8 APPROPRIATION OF EARNINGS (ARTICLE 19 OF THE ARTICLES OF ASSOCIATION)

Profits are determined and appropriated in accordance with the laws and regulations in force.

8.1.9 ANNUAL GENERAL MEETING (ARTICLE 18 OF THE ARTICLES OF ASSOCIATION)

Shareholders' meetings are convened and hold deliberations in accordance with the law. Admission is governed by the French commercial code. Each share in the Company carries one voting right. There are no double voting rights. There are no restrictions on voting rights. The terms for exercising voting rights comply with the laws and regulations in force.

8.1.10 STATUTORY THRESHOLD CROSSING DISCLOSURES (SUMMARY OF ARTICLE 11 OF THE ARTICLES OF ASSOCIATION)

Pursuant to article 11.2 of the Bylaws, in addition to the legal threshold crossing disclosure requirements as defined under articles L.233-7 to L.233-14 of the French commercial code, Quadient S.A. requires any person, acting on his own or in concert, who comes to own directly or indirectly, a number of shares representing more than 3% of the share capital or voting rights of the company must inform the company, in writing, by registered letter with acknowledgement of receipt, within 15 days of the crossing of the threshold, certifying that the shares thus owned are not for the account or under the control of another natural or legal person.

This information obligation also applies, under the same conditions, to any person who already holds, directly or indirectly, alone or in concert, a number of shares representing more than 3% of the capital or voting rights. Vote of the company, each time it comes to hold, directly or indirectly, alone or in concert, a number of additional shares representing 1% of the company's capital or voting rights, as long as it does not hold, directly or indirectly, alone or in

concert, a total number of shares representing more than half of the company's capital or voting rights.

At the request of one or more shareholders holding at least 3% of the company's capital or voting rights, non-compliance with this obligation of information is penalized, for shares exceeding the fraction which should have been declared, by the deprivation of the right to vote for any Meeting of shareholders which would be held until the expiry of a period of two years following the date regularization of the notification.

The same obligation to provide information is imposed, within the same period and according to the same terms, on any natural or legal person whose participation, held alone or in concert, directly or indirectly, falls below one of the above-mentioned thresholds.

This requirement was introduced by the Annual General Meeting of 5 October 1998.

8.2 Recent events

Quadient extends its footprint in Europe, welcoming 30,000 new customers with the acquisition of Frama

On 1 February 2024, Quadient announced the acquisition of Frama, a significant mailing and document management solutions provider to small and medium-sized businesses, serving more than 30,000 customers, mostly in Europe.

Quadient's Financial Automation Cloud Offerings Named as Recommended Solutions by Sage

On 6 February 2024, Quadient announced that its financial automation cloud offerings for accounts receivable (AR) and accounts payable (AP) are endorsed as "Recommended Solutions" by Sage, the leader in accounting, financial, HR and payroll technology for millions of small and mid-sized businesses.

Quadient 2.25% notes due 2025 - ISIN code FR0013478849 - Outstanding nominal amount on 31 January 2024

On 7 February 2024, Quadient announced that the outstanding nominal amount of the notes issued by Quadient on 23 January 2020 for an amount of €325,000,000.00 at a rate of 2.25% due 3rd February 2025 (ISIN code FR0013478849) was €267,600,000.00 on 31 January 2024.

Quadient's Sustainable and Convenient Parcel Locker Delivery and Pickup Solution Available in Over 20,000 Locations Worldwide

On 12 February 2024, Quadient announced it has reached a new milestone in its parcel locker network expansion. At the end of January 2024, Quadient accounted for more than 20,000 Parcel Pending by Quadient locker units in operation across North America, Europe and Asia.

Quadient Positioned as Leader in 2024 SPARK Matrix for Customer Communications Management for Fourth Consecutive Year

On 28 February 2024, Quadient announced that it has been positioned as a Technology Leader in the SPARK Matrix™: Customer Communication Management (CCM) 2024 research report for the fourth consecutive year. The report, produced by independent technology analyst firm Quadrant Knowledge Solutions, provides a detailed analysis and strategic vendor performance assessment of the global CCM market.

Growing Quadient Partner Program Extends to CCM and Financial Automation Solutions to Support Wider Customer Engagement

On 13 March 2024, Quadient is expanding its Quadient Experience Partner Program to include the company's financial automation solutions. Previously focused on Quadient's CCM solutions, the new program brings more value to partners while expanding the reach of Quadient's cloud solutions' rich features and functions to more customers.

Quadient Partners with Stonegate Group to Offer Convenient Parcel Pickup and Returns at 400 New Locations Across the UK

On 19 March 2024, Quadient announced that Stonegate Group – the UK's largest pub company with a portfolio of more than 4,500 managed, leased and tenanted sites, including Yates, Slug and Lettuce, and Walkabout – has joined the Parcel Pending by Quadient Open Locker Network as a host partner. Quadient has already started rolling out its carrier-agnostic parcel lockers, with an initial target of installing 400 locker units across Stonegate's 1,200 managed properties.

Bpifrance Investissement co-opted as an independent director of Quadient

On 25 March 2024, Quadient announced that the Board of directors decided to approve the co-option of Bpifrance Investissement as an independent member of the Board of directors, effective 22 March 2024. Bpifrance Investissement will be represented by Emmanuel Blot, Investment director in Bpifrance Mid & Large Cap division.

Royal Mail offers new parcel drop off and collection experience to consumers by adopting Quadient's open locker network in the UK

On 25 March 2024, Quadient announced that Royal Mail, UK's largest parcel delivery company, has joined the Parcel Pending by Quadient Open Locker Network under a multi-year contract. With the aim of offering a new customer service and a great customer experience, Royal Mail will start offering returns and outbound drop-off services in an initial c. 200 sites by May 2024, with the expectation that Royal Mail will ultimately use lockers in 3,000 locations as the UK network grows in the coming years.

Quadient confirms its eligibility for PEA-PME scheme

On 2 April 2024, Quadient announced its eligibility for the PEA-PME scheme, as it complies with the criteria for inclusion set by Article L.221-32-2 of the French Monetary and Financial Code.

8.3 Officer responsible for the universal registration document and Auditors

8.3.1 OFFICER RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Geoffrey Godet, Quadient S.A. Chief Executive Officer.

8.3.2 AUDITORS

Statutory auditors

ERNST & YOUNG ET AUTRES

Represented by May Kassis-Morin

ERNST & YOUNG et Autres, Tour First, TSA 14444, 92037 Paris-La Défense Cedex, France

Member of the Compagnie Régionale de Versailles et du Centre

Start of first appointment: 9 September 1997 (for the remaining term of the preceding Auditor's appointment)

Duration of current appointment: six years (from 28 June 2019)

Expiry of current appointment: the end of the Annual General Meeting convened to vote on the financial statements for the financial year ending 31 January 2025.

MAZARS

Represented by Francisco Sanchez

61 rue Henri Regnault 75092 Paris La Défense, France

Member of the Compagnie Régionale de Versailles et du Centre

Start of first appointment: 16 June 2022

Duration of current appointment: six years (from 16 June 2022)

Mazars was appointed during the Annual General Meeting on 16 June 2022 for a six-year period *i.e.* until the General Meeting convened to vote on the financial statements for the financial year ending 31 January 2028.

Alternate Auditors

AUDITEX

Tour First, TSA 14444, 92037 Paris-La Défense Cedex, France

Alternate Auditor to Ernst & Young et Autres

Start of first appointment: 8 July 2008

Duration of current appointment: six years (from 28 June 2019)

Expiry of current appointment: the end of the Annual General Meeting convened to vote on the financial statements for the financial year ending 31 January 2025.

CBA

61 rue Henri Regnault 92 075 Paris La Défense, France

Alternate Auditor to Mazars

Start of first appointment: 16 June 2022

Duration of current appointment: six years (from 16 June 2022)

CBA was appointed alternate Auditor during the Annual General Meeting on the 16 June 2022 for a six-year period *i.e.* until the General Meeting convened to vote on the financial statements for the financial year ending 31 January 2028.

8.4 Statement by officer

"I hereby certify that the information contained in this universal registration document is, to my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I further certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets and liabilities, financial position and results of the Company and all the undertakings included in the consolidation, and that the information included in this universal registration document within the management report and listed in the table of concordance in section 8.7.3 presents a fair view of the development and performance of the business, results and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed".

Geoffrey Godet,

Chief Executive Officer

8.5 Fees paid to the statutory auditors and members of their networks

Please refer to the note 16 in chapter 6 "Consolidated statements of financial position" of this universal registration document.

8.6 Information policy

8.6.1 OFFICERS IN CHARGE OF FINANCIAL INFORMATION

Laurent du Passage	Chief Financial Officer
Catherine Hubert-Dorel	VP Investor Relations
Address	Quadient S.A. 42-46, avenue Aristide Briand 92220 Bagneux, France
Telephone	+33 1 45 36 30 00
Email	financial-communication@quadient.com
Quadient website	www.quadient.com
Investor Relations website	https://invest.quadient.com/en

8.6.2 SHAREHOLDER INFORMATION

This universal registration document will be sent to shareholders free of charge upon request. Documents and information relating to Quadient can be consulted at the Company's head office.

This universal registration document as well as all press releases, analyst presentations, annual reports and other financial information may be consulted on Quadient's Investor Relations website.

8.6.3 FINANCIAL COMMUNICATION CALENDAR

27 May 2024	First-quarter 2024 sales
14 June 2024	Annual General Meeting
19 June 2024	Capital Markets Day 2024
23 September 2024	Second-quarter 2024 sales and first-half 2024 results
27 November 2024	Third-quarter 2024 sales
31 January 2025	End of 2024 fiscal year
March 2025	Fourth-quarter 2024 sales and full-year 2024 results

8.7 Concordance tables

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Statement of use	Quadient has reported the information cited in this GRI content index for the period from 1 February 2023 to 31 January 2024 with references to the GRI standards	
GRI used	GRI 1: Foundation 2021	
GRI 2: General Disclosures 2021		
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