Alcyone

Annual report 2023

ALCYONE

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ALCYONE

Foreword

Dear Alcyone shareholders, dear relations,

It is with great pleasure that I write this foreword by Alcyone. Alcyone is a growing listed company with two activities: Taygeta (consultants) and Sterope (healthcare professionals).

Due to the appointment on December 20, 2023, I have only been a director of Alcyone for 11 days in the past financial year, and that includes public holidays (Christmas and New Year's Eve) and weekend days. For the other 354 days, the director's gavel was in the hands of Jimi Hendrix, who served the company as a director for four years. He led Alcyone – then called Taygeta – through a difficult phase and made an important contribution to the company's current good health. From this place a heartfelt word of thanks to him.

With the acquisition of the majority stake in Sterope in January 2023, Alcyone has been put on a firmer footing. A second leg to stand on. It is gratifying to see that this already had an effect in 2023. Taygeta had a slightly more difficult time – partly due to the shortage in the labour market. Sterope's strong growth more than compensated for this decline.

Today's Alcyone is bigger, more profitable and more promising than it was at the end of 2022. And there's more to come. It is considered that Alcyone will acquire Kitalpha (consultants for the utility sector) in 2024. And Alcyone is emphatically open to further reinforcements from Taygeta and Sterope.

A healthy, growing organization that offers real added value for its customers. This applies to Alcyone and its subsidiaries. I hope you enjoy reading our annual report and hope that you – as a committed shareholder or relation – will join us on the growth path. On behalf of the Board of Directors,

Peter Banks
Chairman

COMPANY OVERVIEW

We've been providing services to our customers for over 100 years.

EMPLOYEES

8,960+

2023 TURNOVER

1.57 b

NETWORK

18,000

FOUNDED

1908

PRODUCTS AND SERVICES AVAILABLE IN MORE THAN

63 Country

1. North America
2. South America
3. Europe
4. Africa
5. Australia

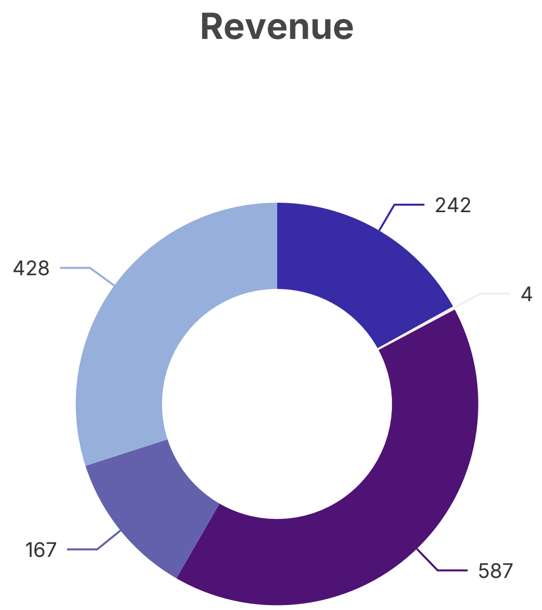
Profile

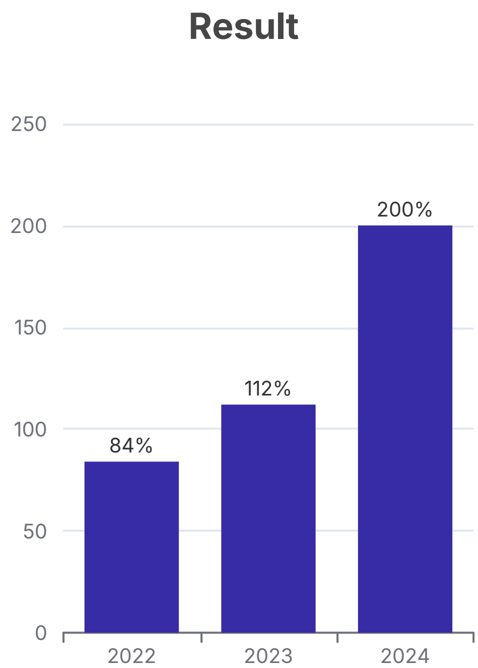
About Alcyone

Alcyone NV is a listed company with a focus on the deployment of professionals and support for companies and organizations in specific sectors.

Alcyone stems from a company that was originally founded in 1908. The nature of the activities has changed several times, as has the name and ownership structure. Since 1969, the company has been listed on the Amsterdam Stock Exchange. The name change to Alcyone took place in 2019.

The two operating companies of Alcyone are Taygeta Holding BV and Sterope Holding BV. Taygeta mediates advisors for companies in the financial sector, among others. Taygeta assists companies in change processes in the field of digitization and regulatory change. Sterope has an online portal for independent healthcare professionals and healthcare institutions. Thanks to its unique IT portal, Sterope is able to attract an increasing number of healthcare professionals and thereby meet the growing demand of healthcare institutions.





> **A healthy, growing organization that offers real added value for its customers. This applies to Alcyone and its subsidiaries**

Report of the Board of Directors

The board

Peter Banks

Chairman of the Board

Peter Banks brings over 25 years of leadership in technology and finance.

Daniel Matthews

Chief Operating Officer (COO)

Daniel Matthews specializes in operational efficiency, with 15 years of experience.

Samantha Taylor

Chief Financial Officer (CFO)

With 20 years of financial leadership, Samantha Taylor manages corporate finance, mergers, and strategic planning.

Report of the Board of Directors

Acquisition of Sterope

For Alcyone, 2023 was a year of strong growth. On January 5, 2023, a majority stake was acquired in Sterope.

Sterope is the largest healthcare agency for independent professionals in the Netherlands. The company brings together supply and demand for independent healthcare professionals and responds to two important trends:

- the increasing demand for healthcare professionals;
- making the labour market more flexible.

Sterope has national coverage with several branches (partly through franchise) and is mainly active in mental health care, care for the disabled, youth care, nursing, care and home care. More than 3,000 self-employed people in the healthcare sector are affiliated with the portal, many of whom work for various healthcare institutions every day.

Sterope has grown strongly in the period prior to the acquisition. In the five years from 2016 – 2021, revenue increased from €1.8 million to €8.9 million and the operating profit (measured by EBITDA) grew from €0.4 million to €3.2 million. In 2022, Sterope was greatly hampered by the Urbani pandemic and the measures taken against it. During that period, healthcare institutions were very reluctant not to admit new employees or external professionals for safety reasons. Despite this, Sterope also managed to grow in 2022.

The acquisition of Sterope offers Alcyone several advantages:

- significant economies of scale;
- the favourable growth prospects of the market for healthcare professionals;
- the combination of two independent, profitable companies: Taygeta and Sterope;
- mutual exchange of knowledge and expertise;
- the expected positive impact on the development of earnings per share.

On 17 November 2022, the Extraordinary Meeting of Shareholders of Alcyone approved this transaction and the related share issue. Alcyone took over the stake in Sterope from Mirach, which is also a major shareholder of Alcyone. Mirach had bought the stake in Sterope in June 2022 for €10.2 million. The acquisition of this stake in January 2023 was made at a cost of € 10.65 million, being the original acquisition sum plus a cost and an interest component. The acquisition was paid for through the issuance to Mirach of 5,949,060 Alcyone shares at € 1.00 each and settlement of € 4.7 million of a loan granted by Alcyone to Mirach. As a result of this issue, the total number of outstanding shares following this transaction increased by 50.6% to 17,700,000 (14,000,000 B shares and 3,700,000 A shares). For a more detailed explanation of this transaction, please refer to the notes to the consolidated balance sheet, section "Acquisition of subsidiary Sterope".

Good operational results for 2023

The acquisition of Sterope has a significant positive impact on Alcyone's results in 2023. Alcyone's turnover increased from €13.5 million to €26.2 million in 2023, an increase of 94%. EBITDA increased from €1.9 million to €6.5 million, an increase of 242%. Alcyone was confronted with two special charges in 2023, both of which relate to Taygeta. The first is the impairment on the goodwill paid for Sadalbari, which was acquired in 2017. That company has now been integrated into Taygeta and, based on current expectations, an impairment charge of € 1.9 million has been taken. The other charge concerns the departure of the managing director, amounting to € 0.35 million. In addition, there is a relatively heavy amortisation charge of € 2.2 million related to the intangible assets acquired with the acquisition of Sterope. Earnings before interest expense and taxes (EBIT) amounted to € 1.7 million. After deduction of interest charges (€ 0.6 million), result of associates (€ 0.1 million) and taxes (€ 0.7 million), a profit of € 0.3 million remains.

The acquisition of Sterope was partly financed by the issuance of new shares. As a result, the number of outstanding shares initially increased from 11.75 million to 17.70 million shares. In addition, a stock dividend of 0.7 million shares was paid out. The number of outstanding shares amounts to 18.40 million shares. The loss attributable to shareholders per share amounts to € 0.01 per share. Adjusted for amortisation (€ 2.2 million) and impairment (€ 1.9 million) and taking into account a third-party interest, an adjusted earnings per share of € 0.19 remain.

The capital position was strengthened. Shareholders' equity almost doubled and rose from €5.77 million to €11.7 million in 2023. Shareholders' equity per share amounted to €0.64 per share at the end of 2023, an increase compared to 2021 (€0.49 per share).

Sterope growth engine

The activities within Alcyone – Taygeta and Sterope – showed a different dynamic. Taygeta was unable to match the record result set in 2022. Revenue decreased by 12% to € 11.9 million and EBITDA decreased from € 1.9 million to € 1.6 million. Taygeta suffered from the tight labour market and is fully committed to attracting good professionals to meet the demand. In 2023, a lot of time and energy was invested in putting together a new management team. That new team started in December 2023. The assignment is to grow in terms of number of professionals and turnover, while maintaining margins. Taygeta has an excellent reputation in the market, is known for the high quality of professionals and consultants and is a valued supplier of consultants in the financial sector. This gives Taygeta a solid foundation to enter the new growth phase.

Sterope grew strongly in 2023. More and more healthcare institutions are using Sterope's services to fill vacancies temporarily or to cope with peak loads and holidays of employees. Among healthcare workers, the desire to work as an independent professional continues to increase. Sterope's revenue increased from €11.5 million to €14.3 million in 2023. Although conditions improved throughout the year, Sterope also suffered from the Urbani pandemic in 2023. Especially in the first half of the year, there was a relatively high level of absenteeism among professionals and many employees had to recover after the intensive Urbani pandemic. Sterope's revenue growth is evenly distributed between Sterope's own branches and the franchise branches. The number of healthcare institutions affiliated with Sterope increased slightly. The number of affiliated active self-employed persons increased by 27%. The share of the top 10 customers in turnover decreased slightly to 25% in 2023. By paying attention to coordination between the branches, we expect to be able to grow with existing top 10 customers as well. Sterope distinguishes itself by focusing on the quality of the freelancers affiliated with Sterope, transparency in the costs of mediation to healthcare organizations and an effective, fast and reliable matching system. Sterope's EBITDA for 2023 amounted to € 5.4 million.

Long-term value creation

Alcyone's core values are integrity, focus on results, entrepreneurship and a passion for people. Our companies operate with a long-term perspective and a strong connection with its customers and the sectors in which these customers operate.

Alcyone's largest holding is Sterope. Sterope is connected to the healthcare sector. With its professional network of healthcare professionals, Sterope establishes human connections between freelancers, healthcare institutions and its own employees. Sterope is a chain partner, stands alongside these parties and proactively looks for solutions together to make healthcare positive and healthy. Through this role, Sterope is able to retain healthcare professionals for the sector and contributes to making high-quality care available.

In a constantly changing world, companies and institutions must continue to innovate and transform. Through its shareholding Taygeta, Alcyone is helping to accelerate the transformation with the specialist knowledge of our consultants. With our people who are at the forefront and want to make an impact in their field, we help companies and institutions to be ready for the future.

With our passion for people, we connect our specialists with our customers. 3,000 healthcare professionals are connected to the Sterope portal, of which approximately 1,500 are deployed to customers. Taygeta employs approximately 80 professionals. With our professionals, we contribute to capacity issues in healthcare (especially in the VVT, GGZ and GZ) and we offer solutions in areas such as sustainability, data management, regulatory change and digital transformation.

In order to be successful in our service to customers, experienced and loyal freelancers and employees are deployed. Underpinning this are data-driven, creative, customer-centric strategies that leverage cutting-edge technologies to deliver high-quality services with value for both customers and, specifically for Sterope, for people in need of care.

The mission, vision and core values of our subsidiaries determine what Alcyone wants to achieve and how we want to provide our services. The business models of our subsidiaries result in high-quality service, risk management and a continuously growing business that creates value for our stakeholders.

Relevant elements in our business models are human assets, financial assets, intellectual assets, digital infrastructure and social or relationship assets:

- Human assets consists of passionate and result-oriented freelancers (Sterope) and employees. This is essential for a high-quality service to customers. In addition, our participations offer development opportunities to self-employed persons and employees. Supporting talent manager(s) in binding, engaging and developing employees;
- Financial assets: Alcyone's shares are listed on the stock exchange. The participating interests have a healthy balance sheet. External financing at Sterope supports the company's growth strategy. There is a track record of healthy financial results;
- Intellectual assets: knowledge about customer issues as well as knowledge about the needs of freelancers as well as talent management. Knowledge about issues in healthcare as well as knowledge about issues related to sustainability, data management, digital transformation and regulatory change in the finance & banking, E-commerce and non-profit sectors;
- Digital infrastructure: advanced advice portal for advising healthcare professionals with healthcare institutions. Supporting digital technologies for the purpose of recruiting and providing consulting services;
- Social or relationship assets: brand names of the participations that are a well-known label in their markets.

Value is created from the business models by:

- Strategic positioning: advising independent healthcare professionals with healthcare institutions using a digital advice portal. Building specialist knowledge and communities in the competence centres sustainability, data management, digital transformation and regulatory change;
- Innovation: translating continuous customer needs and the needs of self-employed persons into new functionalities in the supporting advice portal, investing in new concepts in new markets, proposition development through knowledge sharing and connection in which advisors, partners and customers work together in order to collectively increase knowledge in the strategically defined specialisms;
- Digital Journey: investing in digital tools in order to optimize the connection between customer and professional, increase the quality of service and reduce the matching time;
- Learning and development: if appropriate in the business model, talent management supports the intrinsic drive and ambition of the advisors so that our consultants gain further specialist knowledge in order to make an impact with our clients;
- Operational excellence: continuous improvement of quality, speed and productivity through lean processes resulting in increasing quality towards customers, lower costs, digital processes and steering on relevant KPIs.

The output of long-term value creation:

- Profitability and growth. In 2023, revenue grew from €13.5 million to €26.2 million. EBITDA grew from €1.9 million to €6.6 million;
- Deployment of highly qualified professionals. Approximately 6,000 healthcare professionals are affiliated with Sterope, of which approximately 2,500 have been deployed to customers. In 2023, approximately 80 highly qualified professionals were deployed at Taygeta. Investments have been made in training the employees and contributed to the happiness at work of the self-employed who offer their services via the Sterope portal;
- Stakeholder satisfaction. Relevant interest groups are involved in the operational activities. Long-term value creation has been realized with our customers, employees, hired healthcare freelancers and our suppliers;
- Contribution to ESG topics. We help create a better future for the professionals who work with us. There is a focus on People, Planet and Community. Employees are encouraged to drive electrically. Our teams of professionals are ambitious, inclusive and talented. One of the competence centers has a focus on sustainable projects. The health, well-being and safety of employees and self-employed persons are top of mind within Alcyone participations.

In order to maintain and attract the relevant elements in our business model (the assets), Alcyone continues to work as a continuity on:

- Sustainability business: generating positive profits and positive cash flows to achieve sustainable growth;
- Being a responsible employer and matchmaker: supporting professionals and self-employed people in finding new challenging assignments in which they can develop and build a personal network. Facilitating supporting administrative processes so that the professionals are fully focused on improving their distinctive skills;
- Reliable business partner: solving customer questions effectively. Giving clients access to a flexible, high-quality pool of freelancers and consultants.

- Being a responsible party in society: respecting fundamental human rights in the flexible labour market, ensuring ethical behaviour and cultivating it for future generations and giving it back to society as a whole.

Transactions with potential conflicts of interest

In 2023, Alcyone acquired an eventual 80% stake in Sterope from Mirach. Mirach is the majority shareholder in Alcyone. The CEO of Mirach is also a member of Alcyone's supervisory board. The transaction took place at market conditions. On October 6, 2022, an extensive circular was published by Alcyone's board about the structure of the transaction, including how the transaction price was determined. The proposed transaction was submitted to Alcyone's shareholders for approval at the EGM held on 17 November 2022. The shareholders have approved this transaction with a majority at this EGM. The actual transaction took place on 5 January 2023.

Expectations for 2024

Alcyone is optimistic for 2024. The continued demand for healthcare professionals and Sterope's good name in this market offer Sterope the opportunity to grow in revenue and operating profit in 2024. For Taygeta, a new phase of growth has begun. Although there is a willingness to invest heavily in organization and marketing, we expect that Taygeta will be able to grow in number of professionals and in turnover as early as 2024. The aim is to maintain margins. Whereas 2023 was characterised by exceptional factors, no substantial exceptional charges are foreseen for 2024.

Finally, it is being considered to acquire the 70% stake in Kitalpha from Mirach. Kitalpha is active in the secondment of consultants in the utility sector. Kitalpha provides its services to a wide range of customers: national grid operators, regional grid operators, suppliers, metering companies and service providers. The acquisition of Kitalpha would be a third pillar of Alcyone. If this transaction goes ahead, it is expected to have a positive impact on turnover and operating profit.

In summary, Alcyone is expected to experience healthy growth in 2024.

Employees

Alcyone has a total of 139 FTEs, divided into 71 FTEs at Sterope and 68 FTEs at Taygeta.

Governance

With the acquisition of Sterope, the structure of Alcyone has also changed. In 2022, Taygeta was Alcyone's only activity. Based on the 2023 figures, Sterope's turnover is slightly higher than Taygeta's and its operating result (EBITDA) is even three times higher. With the change in Alcyone's portfolio, there have also been important changes in the staffing.

A new team joined Taygeta in December 2023. That team consists of Jennifer Batten (Managing Director), Gary Moore (Commercial Director) and Don Felder (Finance Director). George Harrison left in the fourth quarter of 2023. He held the position of Managing Director for 6 years.

Emily Remler joined Sterope in September 2023 as Chief Financial Officer. At the end of 2023, Sarah Lipstate said goodbye to Sterope. Alcyone would like to thank Sarah Lipstate for the energetic and committed way in which she has led Sterope and the impressive growth she has achieved with her team. In January 2024, her successor could be announced: Mick Taylor. The team of three is completed by Rick Parfitt.

It was also decided to restructure the management of Alcyone. In 2023, the board of directors had one director until December 20: Jimi Hendrix. At the EGM of December 20, 2023, Mr. Jimi Hendrix stepped down and Mr. Peter Banks and Mr. Eddie Van Halen were appointed as board members. As a result, the board now consists of two people. Alcyone thanks Jimi Hendrix for the calm he brought when he took office four years ago, his flexible leadership style and the positive role he has played in the development of Taygeta and Alcyone.

Funding

Alcyone has acquired an 80% stake in Sterope Holding, which has taken out a bank loan of € 12.5 million for the acquisition of Sterope's business activities. In the meantime, an amount of € 9.375 million remains after repayment. Total interest-bearing debt (including long-term tax liabilities) amounts to €15.131 million on a consolidated basis (2022: €2.296 million). This increase is due to funding at the Sterope level. The ratio of interest-bearing debt to EBITDA is 2.3 (2023: 1.2) and is qualified as healthy by the Executive Board. With the expected increase in EBITDA and decrease in net debt, this ratio will improve in 2024.

In 2022, Alcyone chose to make use of the option offered by the Tax and Customs Administration to repay the deferred tax liability in 60 monthly installments from October 1, 2023. The non-current part, amounting to € 1.756 million, is included under the item long-term tax payables. Interest is payable on the amount of the special deferral granted. On 1 July 2023, the annual recovery interest rate was set at 1%, as of 1 January 2024 at 2%, and then in 2 steps at 4% on 1 January 2025. Alcyone sees no reason why Taygeta should not be able to meet that obligation.

Sterope has a current account facility of € 0.5 million. Taygeta has a facility of €0.75 million, which was again not used in 2023.

Alcyone's financial position is solid:

- Consolidated shareholders' equity increased to €12.3 million (2022: €5.8 million). Compared to the balance sheet total, there is a solvency ratio of 32.6% (2022: 51.0%);
- Cash and cash equivalents increased to €5.6 million (2022: €3.3 million);
- The current ratio of current assets to current liabilities is 1.22 (2022: 2.91).

Continuity

The financial statements have been prepared on the basis of the going concern assumption.

In the 2023 financial year, shareholders' equity was significantly strengthened. Consolidated shareholders' equity increased from € 5.77 million to € 12.32 million and amounts to 32.5% of the balance sheet total.

Net debt amounted to €15.131 million (including long-term tax liabilities) and was qualified as healthy in relation to EBITDA (€6.3 million). This ratio is expected to decrease further in 2024.

In addition, the valuation of goodwill was explicitly examined and the annual impairment test was carried out. An impairment of € 1.9 million has been taken at Taygeta level. At Sterope, it has become clear that no impairment charge is necessary. For further explanations, please refer to the notes on the intangible fixed assets of the consolidated balance sheet.

Dividend proposal

In view of Alcyone's underlying growth, it is proposed to increase the dividend from €0.05 to €0.06 per share. In view of the intended reduction of Alcyone's net debt position, the choice is offered to receive the dividend of € 0.06 – by means of an optional dividend – in shares of your choice. The ratio of the optional dividend is set at 1 new share to 19 existing shares. This proposal will be submitted to shareholders for approval at the General Meeting of Shareholders.

Composition of the Board of Directors

Peter Banks

Peter Banks RA (1977) is a chartered accountant (NIVRA-Nyenrode). From 1993 to 2006 he worked at PricewaterhouseCoopers as a public accountant. Mr. Peter Banks has owned Ruchbah since 2007. Between 2016-2018, he was CFO of Mirach. Since 2020, he has been investment director at Mirach and in that capacity also a director of AmsterdamGold and a member of the supervisory board of PAVO Zorghuizen. Peter Banks was appointed with effect from 20 December 2023 to the Extraordinary Meeting of Shareholders held on 20 December 2023.

Daniel Matthews

Daniel Matthews brings a wealth of operational expertise to the board, with a proven track record in optimizing business processes and improving organizational efficiency. With more than 15 years in senior management positions, primarily in the technology and logistics sectors, Daniel has led several successful business transformations, driving cost reduction and operational excellence.

Samantha Taylor

Samantha Taylor is a highly accomplished finance executive with over 20 years of experience in corporate finance, mergers and acquisitions, and financial planning. Prior to joining the board, she held leadership roles in several multinational corporations. As CFO, Samantha is responsible for overseeing the company's financial health and implementing strategies that enhance profitability and shareholder value.

Statement of the Board of Directors

The Board of Directors declares that:

- The risk management and control systems provide reasonable assurance that the financial reporting is free from material misstatements;
- The risk management and control systems worked properly during the year under review. In this statement, the Executive Board takes into account the risks described and the control measures that are aimed at them. The statement is in accordance with the best practice provision Principles 1.2 and 1.4.3 of the Corporate Governance Code.

The Executive Board further states, with reference to Section 5.25c(2c) of the Financial Supervision Act and best practice provision 1.4.3 of the Corporate Governance Code 2016, that:

- The financial statements give a true and fair view of the assets, liabilities, financial position and profits of Alcyone and the companies included in the consolidation as a whole;
- The annual report gives a true and fair view of the situation on 31 December 2023 and the course of events during 2023 at Alcyone and its operating companies, the data of which are included in the financial statements;
- The material risks that the company faces are described in the annual report;

Board of Directors

Amsterdam, 26 april 2024

- Peter Banks
- Eddie Van Halen

Sterope's acquisition fueled Alcyone's impressive growth, driving both revenue and EBITDA to new levels in 2023.

94%

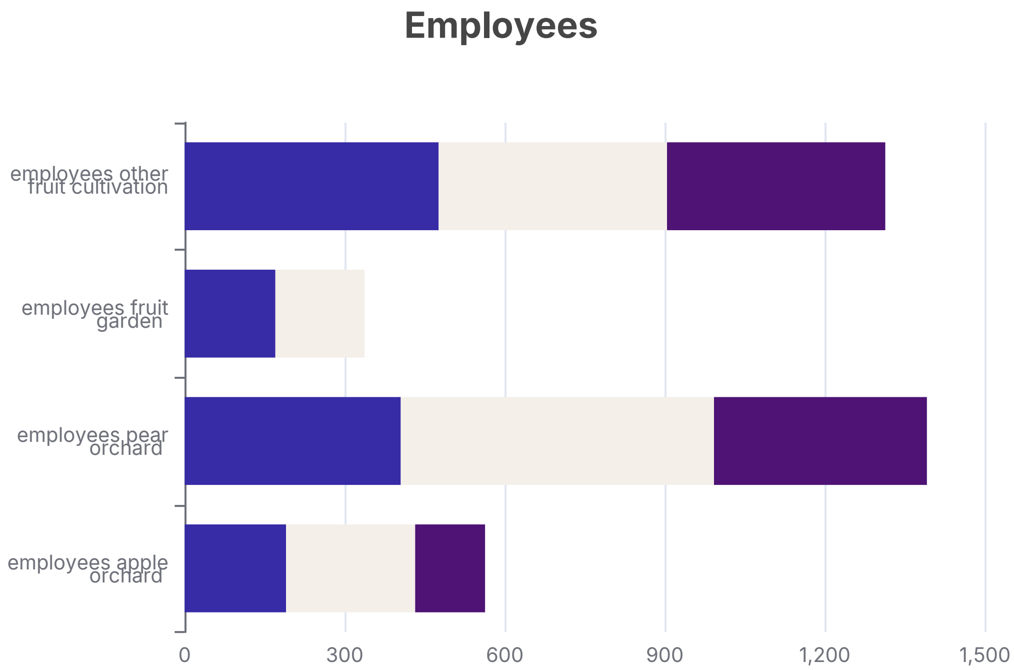
Revenue growth:
Alcyone's revenue increased from €13.5 million to €26.2 million, reflecting a growth of 94%.

242%

EBITDA growth:
EBITDA rose from €1.9 million to €6.5 million, representing an increase of 242%.

Shareholder information

Alcyone is a public limited company (NV) incorporated under Dutch law. The office address is Pleiadenplein 102, 1033 VL Amsterdam.
Alcyone is listed on Euronext Amsterdam and trades under the ticker ALCY (ISIN NL001012019).



Share capital

The company's share capital is €5 million. This is divided into:

- 20 million class A ordinary shares of €0.10;
- 20 million ordinary B shares of € 0.10;
- 10 million cumulative C preference shares of € 0.10.

The table below shows the development of the outstanding number of Alcyone shares. The B shares are included in the listing. There are no outstanding C shares.

	December 31, 2023	December 31, 2022
Shares A	3,868,869	-
Shares B	14,532,534	11,750,940
	18,401,403	**11,750,940**

Dividend policy

This is the abbreviated version of the statutory profit provisions.

1. The profit as shown in the adopted financial statements is first of all, insofar as applicable:
    - constituted the reserves to be held by law;
    - cleared the losses from previous years not yet covered;
    - the reserves that are necessary according to the Executive Board.

2. The general meeting can only dispose of the company's reserves on a proposal from the Executive Board that has been approved by the Supervisory Board.

Alcyone's dividend policy is aimed at maintaining sufficient available funds within the companies, so that there is sufficient resistance to absorb any unexpected setbacks and there is room for the execution of the growth strategy.

Notification of Control Act

Based on the notifications under the Financial Supervision Act (Wft), as of 31 December 2023, these shareholders with a substantial participation are known (directly and/or indirectly):

Shareholders	**Stake in shares**
David Gilmour	5 - 10%
Andy Summers	15 - 20%
Mirach NV	60 - 70%

An overview of reports can be found at www.afm.nl under "professionals", then "registers", "substantial shareholdings" and "directors and supervisory directors". In addition to these direct interests, the company has no potential interests as of 31 December 2023.

Risks

This is how we deal with risks

The Executive Board is responsible for managing the risks arising from Alcyone's strategy and activities. The directors of Alcyone's participation are responsible for identifying and managing risks, with the support of the financial control departments of their organizations.

In regular monitoring meetings between the Executive Board and the directors of the Alcyone participations, attention is paid to the identified risks and how they are managed.

Alcyone believes that risk management is a value-creating activity and aims to achieve a long-term sustainable business proposition. The Executive Board considers the management and control of strategic, operational, compliance, commercial, financial reporting and financial risks to be crucial in order to achieve the Alcyone objectives and to guarantee the continuity of the company.

The findings of the regular monitoring meetings with regard to risk management are discussed with the Supervisory Board.

The Executive Board defines the 'Risk Appetite', the level of risk that Alcyone is willing to take in the light of the achievement of the strategic objectives, based on the strategy, annual plan to be executed, code of conduct, core values of the companies, authorization schemes and procedures.

The extent to which Alcyone is willing to take risks in the pursuit of its objectives varies from risk category to risk and from company to company.

Risk category	Risk acceptance	Explanation
Strategic	Moderate	Alcyone is willing to take moderate risks in pursuing its ambitions. It always seeks the balance between commercial ambitions (high risk acceptance) and its social function (lower risk acceptance).
Operational	Very low	Alcyone strives to limit as much as possible the risks that could endanger its continuity. In the field of information security and privacy, she does her utmost to avoid risks that could harm her employees and clients.
Financial	Low	Alcyone maintains a solid financial position to ensure access to the financial markets.
Compliance	Nil	Alcyone has a zero-tolerance policy with regard to compliance and integrity risks.

If there are changes in, for example, the working environment, laws and regulations, contractual agreements with customers, partners or suppliers, work equipment, activities, services, context analysis and advancing technologies, or if calamities have occurred, it will be assessed whether there is a need to adjust the risk analysis accordingly or to carry out a new risk analysis. In addition, the Management Review periodically assesses whether the risk analysis is still complete and correct and whether it needs to be adjusted. The effectiveness of the actions will be evaluated and, if necessary, risk owners will be identified to address new risks and opportunities. For the sake of completeness, the risk owners and actions are shown in the risk analysis. In the risk analysis, all risks are assessed on their significance. The significance value is based on probability X effect.

Measures to address risk may include risk avoidance, risk-taking to capitalise on an opportunity, removing the source of risk, changing the probability or consequences, spreading risk or retaining risk after informed decision-making. Opportunities can lead to adapting processes, introducing new services, entering new markets, and establishing new relationships with customers, partners, or suppliers.

Responsibilities

The Executive Board is ultimately responsible for the risk management and control systems. The Supervisory Board supervises this.

There are regular consultations between the Executive Board and the management of the operating companies. This mainly focuses on developments in the market and the identified risks. The Executive Board discusses the design and operation of the risk management and control system with the Supervisory Board on an annual basis. For each type of risk, appropriate control measures are taken to prevent or reduce the risk.

What kind of risks are involved?

Market risks

Alcyone's services are sensitive to developments in the market. The company has to deal with economic movements, sector-dependent trends and the dynamics of the labour market. In order to absorb economic fluctuations as much as possible, Alcyone spreads its activities. She also keeps a close eye on developments in individual market segments.

In order to work on the continuity of Sterope and Taygeta, the company invests in the knowledge and skills of its professionals. She also focuses on long-term relationships with her clients. In addition, Sterope has high quality standards with regard to the admission requirements of self-employed persons on its advice portal. In addition, Taygeta is critical when it comes to hiring external parties for the benefit of its clients.

Environment and climate risks

Social thinking about the environment and climate has become an important issue in recent years. Although Alcyone does not experience any direct impact on its services, it has been taking this into account in its business operations for years, for example by offering its employees alternative forms of transport and by focusing its purchasing policy on environmentally and climate-friendly products and the production of these products. The Board is of the opinion that the impact of climate-related risks has no material impact on the items and disclosures, including opinions and estimates in the financial statements.

Strategic risks

Strategic risks include macroeconomic conditions, geopolitical developments, competition and dependence on large customers. Monitoring and control through strategy updates and annual business reviews based on the annual plans of the management of the operating companies. Permanent attention is paid to efficient business processes and optimisation of the cost structure.

Operational risks

Operational risks are unexpected events that may occur within Alcyone's operational processes. Some may prevent the company from achieving its objectives. Others can damage reputation or put pressure on the customer relationship. These are risks due to:

- have sufficient qualitative self-employed workers available;
- disappointing quality;
- too low occupancy rates;
- productivity is too low;
- the loss of people in key positions;
- inadequately functioning ICT infrastructure;
- the risk of budget overruns and losses on projects.

Control measures that are taken include:

- quality-oriented intake procedure for admitting self-employed persons on the Sterope portal;
- continuous optimization of Sterope advice portal with a focus on performance and desired functionalities, both from the perspective of freelancers and from the perspective of the customer;
- the deployment of certified professionals, the management of customer contacts and satisfaction, as well as the continuous investment in the development of professionals;
- managing the productivity and employability of professionals, keeping the knowledge and skills of professionals up-to-date and, if there is no other option, saying goodbye to professionals;
- encouraging proactive and entrepreneurial behaviour;
- actively looking for improvements in the field of organisation and policy;
- keeping detailed project records and monitoring the progress of projects;

- standardised contract procedures;
- KPI analyses;
- monthly management reports;
- monthly monitoring meetings;
- physical visits to branches.

Financial risks

Financial risks range from not being able to meet payment obligations to not being able to attract financing. Liquidity and funding risks arise if Alcyone does not have sufficient financial resources at its disposal, or does so too late. Credit risk refers to the borrower's failure to meet its promised payments. This happens, for example, if customers do not fulfil their contractual obligations or do not fulfil them in full. The control measures taken by Alcyone include:

- timely invoicing;
- active management of the accounts receivable portfolio;
- active working capital management;
- standardized IT systems;
- internal control via business control;
- monthly reporting;
- monthly monitoring meetings;
- liquidity monitoring.

The notes to the consolidated financial statements include a more detailed explanation of the management of financial risks.

Reporting risks

Accurate, timely and complete reporting of financial and non-financial data is important for all Alcyone stakeholders. It ensures that the stakeholders maintain confidence in Alcyone and its business operations.

The control measures taken by Alcyone focus on the principles of valuation and profit determination as included in the statutory financial statements of Alcyone's operating companies. Also important is the audit by the external auditors.

Intangible assets and goodwill

At the time of the acquisition of Sterope, the customer files, Sterope portal and goodwill were identified and activated as a result. These items make up a significant part of Alcyone's balance sheet total.

Developments in the market and in the sectors in which Sterope provides its services may lead to changes in cash flows and as such have an impact on the valuation of these intangible assets. To mitigate this risk, Alcyone conducts an annual test at Sterope to assess whether there is an impairment change.

Compliance risks

Compliance means the combination of measures, rules and standards that manage risks. Compliance enables corporate responsibility and corporate governance. That is why Alcyone works with internal policies and procedures, an insider regulation and staff regulations that describe the rights and obligations of employees and employers.

Fraud can manifest itself in various forms, ranging from small-scale fraud to fraud that can jeopardize continuity. To mitigate this risk, the operating companies have set up their processes to prevent fraud. In addition, the management of Alcyone and the operating companies actively promote that a zero-tolerance policy applies to fraud.

The labour market is in the spotlight in society, especially when it comes to abuse and exploitation. In addition, a great deal of attention is paid to the excessive flexibilisation experienced, which leads to abuses and concerns about the financial support of social services, especially at the lower end of the labour market, when the "good risks" leave the system.

The Legislator has responded to this by enforcing the DBA Act (deregulation assessment of employment relationship) on 1 May 2016 and the Balanced Labour Market Act (WAB) on 1 January 2020 and continuing research into the future legal position of self-employed persons. Alcyone uses the services of freelancers at both Sterope and Taygeta and follows developments closely.

Hidden risks

A separate group is formed by "hidden" risks: risks that are currently not or insufficiently known. Or risks that seem minor now, but may be of real importance later. By setting up a risk management system, Alcyone can quickly identify and address these risks during the process. However, it is not possible to give absolute certainty about the achievement of the objectives set.

Identify and address risks quickly

Risk management and control

The risk management and control system helps Alcyone to determine the right balance between customer-oriented business and a risk profile acceptable to the company. Risk management and the internal control measures put in place help Alcyone to recognize and properly manage risks in time. In addition, they support the achievement of operational and financial goals. Finally, they contribute to complying with the applicable laws and regulations.

Continuous improvement

The risk management and control system shall be continuously evaluated and, if necessary, adjusted or improved. The risk management framework has been applied throughout the group. The primary responsibility for this lies with the operating companies. Risk assessments are integrated into the annual planning and monitoring cycle. If points for improvement are identified, they will be implemented. They are then tested again in the process of periodic evaluation. Different instruments are used for the internal risk management and control system. These can be divided into four groups:

1. Guidelines and consultation structures

The most important are:

- a corporate governance structure laid down in articles of association;
- financial reporting guidelines;
- scheduled periodic consultations between the Executive Board and the directors of Sterope and Taygeta on the progress of the operation;
- scheduled periodic consultations with the Supervisory Board on the most important risks and control measures (at least six times a year).

2. Reports

Monthly management reports provide insight into the realisation of the business objectives. Agreements have been made on how and when this will be communicated. Topics such as strategy, business plans, the main risks and results of the operating companies are discussed with the Executive Board. The latter then discusses this with the Supervisory Board, usually in the presence of the Sterope and Taygeta Boards.

The most important reports are about:

- Annual budget and business plans;
- Explanation of the execution of annual targets;
- Detailed monthly financial information. For example, about the results compared to budget and previous periods;
- Detailed and immediately available qualitative information. For example, about the number of registrations for the Sterope portal, the number of actual registrations for the Sterope portal, key figures for the first time match for the Sterope portal, the development of upcoming orders, the occupancy rate, the order book and the conversion of requests into assignments;
- Written accountability of management on accounts receivable position and personnel matters.

3. Internal control measures

A framework of internal control measures: this supports financial reporting and the procedures that underpin it. This framework is made up of:

- policy principles;

- strategic objectives;
- internal control.

4. Assessment and analysis

The Executive Board regularly assesses and analyses:

- Detailed and immediately available qualitative information. For example, about the number of registrations for the Sterope portal, the number of actual registrations for the Sterope portal, key figures for the first time match for the Sterope portal, the development of upcoming orders, the occupancy rate, the order book and the conversion of requests into assignments;
- strategic, operational, financial and compliance risks;
- the design and effectiveness of the internal risk management and control systems, as described in the risk management section.

These analyses took place with the boards of directors of both Sterope and Taygeta, but also bottom-up with account management and the teams during business planning processes and quarterly reviews. In addition, the Executive Board identifies and analyses trends and developments with those ultimately responsible for the business. The results of these analyses were shared with the Supervisory Board via business updates.

Corporate Governance

Compliance with the Dutch Corporate Governance Code

Alcyone strives for an organizational structure that does justice to the interests of the company, its customers, shareholders, employees and society. The Dutch Corporate Governance Code ("the Code") is an important guideline in this regard. The Code contains principles and best practice provisions that the persons and parties involved in a company must observe towards each other. Compliance with the Code is based on the 'comply or explain' principle.

The current Code dates from 2016. This Code is available on the website www.mccg.nl. On 20 December 2022, the updated Dutch Corporate Governance Code was presented. This Code shall enter into force from the financial year beginning on or after 1 January 2023.

Structure

Alcyone is a public limited company with its registered office in the Netherlands. Alcyone's shares are listed on the Euronext Amsterdam stock exchange. Alcyone has a two-tier governance structure. The Supervisory Board and the Executive Board are jointly responsible for the corporate governance structure and its supervision. The structure is evaluated annually. Important principles are:

- integrity;
- openness and transparency;
- entrepreneurship;
- customer focus;
- reliability.

Board of Directors

The Executive Board manages Alcyone strategically, financially and organizationally. Board members are appointed by the General Meeting of Shareholders. The Executive Board consists of at least one person.

Supervisory Board

The Supervisory Board supervises the policy of the Executive Board and the general course of affairs in the company and its affiliated companies. She advises the Board. The members of the Supervisory Board are appointed by the General Meeting of Shareholders.

General Meeting of Shareholders

The General Meeting of Shareholders takes resolutions on matters such as:

- the adoption of the annual accounts;
- approval of dividend payments;
- appointments of board members and supervisory directors;
- remuneration schemes for members of the Executive Board and Supervisory Directors;
- amendments to the articles of association.

The General Meeting of Shareholders must approve resolutions of the Executive Board on significant changes in the identity or changes in the character of the company or the company. A General Meeting of Shareholders is held at least once a year. The call for this meeting can be found on Alcyone's website.

Communication

Open and transparent communication with the financial community and with its capital providers is very important to Alcyone. Regular contact is maintained with analysts and investors, as well as with the financial media, which are the main sources of information for retail investors. The company relies on information from press releases in its communication with these target groups. Policies define what information is made public and when it is made public. Alcyone follows the rules and guidelines of the Netherlands Authority for the Financial Markets (AFM). This ensures that all shareholders are provided with accurate and simultaneous information.

Accountant

The audit by an independent auditor is one of the cornerstones of the Corporate Governance system. As in 2022, this audit was carried out by ABC Accountants NV in 2023.

Compliance and Enforcement of the Code

Alcyone subscribes to the principles of the Corporate Governance Code and largely complies with the best practice provisions. Due to the limited size of the company, Alcyone is not (yet) fully able to fully follow up on all best practice provisions. In those cases, the company already acts as much as possible in the spirit of the Code. The remainder of this chapter explains the extent to which the best practice provisions included in the Code are followed and why they are deviated from here and there.

Best practice provisions of the Supervisory Board (Chapter 2 of the Code)

In 2.1.7, the Code prescribes that the composition of the Supervisory Board is such that the members can operate independently and critically in relation to each other, the management board and any other partial interest. In order to guarantee independence, the composition of the Supervisory Board must be such that a maximum of one Supervisory Board member can be qualified as non-independent (2.1.8). Alcyone complies with this, citing the fact that supervisory director David Gilmour is a director of a legal entity (Mirach NV) that directly and indirectly holds at least ten percent of the shares in the company. In view of Alcyone's limited size, only two supervisory directors were chosen. As a result, the less than half criterion is not met.

The code writes in 2.1.9. that the chairman of the Supervisory Board is not a former director of the company and is independent within the meaning of the best practice provision in 2.1.8. David Gilmour is Chairman of the Supervisory Board. Given Alcyone's limited size and the desired level of experience to lead the Supervisory Board, this is a deviation from the criterion

The Supervisory Board of Alcyone has a limited size. For this reason, no separate committees have been set up within the Supervisory Board (principle 2.3). The best practice provisions 2.3.2, 2.3.3, 2.3.4, 2.3.6 that apply to committees within the Supervisory Board apply to the entire Supervisory Board. All topics are discussed in the full Supervisory Board. A division has been made into focus areas. Due to the two-tier governance structure, Principle 5.1 and its best practice provisions do not apply.

Alcyone deviates from the best practice provisions of Chapter 2 of the Code in these respects:

- 2.3.10: the Supervisory Board is supported by the company secretary;
- Within Alcyone, there is no formal secretary of the company in office. This is due to the limited size of the company.

Best practice provisions (General Meeting of) Shareholders (chapter 4 of the Code)

The share capital is made up of ordinary bearer shares. As of December 31, 2022, the number of outstanding shares was 18,401,403 units. The company does not allocate preference shares or priority shares. No depositary receipts for shares have been issued with the cooperation of the company.

During the General Meeting of Shareholders, the Supervisory Board and the Executive Board are accountable for the policy pursued and supervision exercised in the previous financial year.

Alcyone deviates from the principles and best practice provisions of Chapter 4 of the Code in these respects:

- 4.3.3: The general meeting of a non-two-tier company may adopt a resolution to remove the binding nature of a nomination for the appointment of a director or supervisory director and/or a resolution to dismiss a director or supervisory director. This is possible by an absolute majority of the votes cast.
- This point does not apply to Alcyone, because the company has a statutory provision that the General Meeting of Shareholders appoints and dismisses directors and supervisory directors.
- 4.2.2: The Company formulates an outline policy on bilateral contacts with shareholders and publishes this policy on its website. This policy is not formally present at Alcyone. Given the limited size of the organisation, there is already sufficient transparency in relations with shareholders. In practice, the Executive Board maintains contact with shareholders as needed.

Best practice provisions for auditing financial reporting, internal audit function and external auditor (Chapter 1 of the Code)

In the context of the annual audit, the external auditor pays attention to the internal control system and internal control. The external auditor has discussed the audit plan in advance with the Executive Board, the Executive Board and the Supervisory Board and is present at the meeting of the Supervisory Board in which the annual figures are discussed. The auditor may be questioned by the General Meeting of Shareholders about the statement on the fairness of the financial statements.

In this respect, Alcyone deviates from the principles of Chapter 1 of the Code. Principle 1.3: according to this principle, an internal auditor functions under the responsibility of the Executive Board. Given the limited size of the company, Alcyone does not have an internal auditor. This gap is filled by having our own consultants carry out internal audits of the processes and procedures that lead to financial accountability. The Executive Board and Supervisory Board are informed of the results of these audits via the regular monthly reports.

Diversity

The Executive Board sees the use of diversity as a means to achieve more impact. This has a positive effect on employees, collaboration between teams and long-term results. Diverse teams tend to be more creative, able to see a wider variety of solutions, and make better decisions. The Supervisory Board supports this policy.

The composition of both the Executive Board and the Supervisory Board also strives for sufficient diversity. In the event of vacancies, the requirements with regard to knowledge, skills, competencies and experience will be leading, but preference will be given to suitable candidates who can improve the intended diversity in the composition of the Supervisory Board and Executive Board. In line with these principles, Joni Mitchell was appointed as a member of the Supervisory Board in November 2022, which improved diversity within the Supervisory Board and with which Alcyone meets the requirements of Article 2:142b with regard to a balanced composition of the Supervisory Board.

Corporate Governance Supervisory Board

Due to its limited size, the Supervisory Board has not set up any committees. The Supervisory Board is also the Audit Committee, as required by Article 2.1 of the Audit Committee Decree, and fulfils the legally defined tasks as set out in Article 2.2 of the Audit Committee Decree.

The company has not set up an independent internal audit service. The Supervisory Board is of the opinion that, in view of the company's relatively limited size and unambiguous services, it is not in the company's interest to set up an independent internal audit service.

The composition of the Supervisory Board does not yet fully comply with the guidelines of the Corporate Governance Code. Mr. David Gilmour is also a director of the company's major shareholder, which means that provision 2.1.7ii, which requires more than half of the supervisory directors to be independent, has not been complied with. Due to its limited size, this is temporarily deviated from. The composition is balanced. The combination of experience, expertise and independence enables the Supervisory Board to perform its various tasks properly. David Gilmour is a financial expert in accordance with Article 39(1) of Directive 2014/56/EU. The composition of the Supervisory Board is such that the members can operate independently and critically in relation to each other, the board and any other partial interest. In 2023, the Supervisory Board conducted an internal evaluation of its own performance and that of the Executive Board.

In 2023, the Supervisory Board determined that the Corporate Governance Code within Alcyone had been properly complied with in accordance with agreements. In practice, no possibility and/or reason is seen as the possibility and/or reason to adjust existing policy with regard to compliance with the Corporate Governance Code.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is not linked to the company's results. The amount of this remuneration is based on what is customary for a supervisory board position at comparable organisations and is in line with the market. The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board.

Members of the Supervisory Board

David Gilmour

David Gilmour (1964) is a Dutch national. He has been a major shareholder and chairman of the board of Mirach since 2008. He studied Business Economics at Erasmus University Rotterdam and has extensive experience in the field of listed companies. From October 1993 to October 2009 he worked for the Dutch Association of Securities Owners, the last 8 years as director. In this position, he has gained extensive and relevant experience and knowledge in the areas of valuation and monitoring of listed companies, corporate governance, investor relations and mergers and acquisitions. In this position, he has also built up a valuable network in the business world and the financial sector in particular.

David Gilmour was a core member of the Tabaksblat Committee (2005-2006), chairman of the pan-European organisation of shareholders' associations Euroshareholders (2007-2011), director of the legal predecessors of Alcyone NV (2011-2012 and 12 December 2013-29 January 2014), member of the Market Participants Panel of the pan-European stock exchange supervision organisation CESR (2003-2010) and supervisory director of EDCC NV (2009-2011). David Gilmour was also a member of the Supervisory Board of Euronext Amsterdam.

David Gilmour is currently a member of the Committee of Recommendation of the Wilhelmina Children's Hospital Foundation and a member of the Supervisory Board of SnowWorld and Morefield Group. David Gilmour is also a director at IEX Group NV (non-executive director), MKB Nedsense and Sucraf NV. Mirach NV currently owns between 15% and 20% of the shares in Alcyone NV. He is also a shareholder in Alcyone NV through his personal company Mesarthim Holding BV.

David Gilmour has been appointed for an indefinite period at the Extraordinary Meeting of Shareholders held on 20 December 2019. The aim was to achieve a term of four years in line with the Dutch Corporate Governance Code. Reappointment will be put on the agenda of the next Annual General Meeting of Shareholders.

Joni Mitchell

Joni Mitchell (1985) is a Dutch national. She obtained her Bachelor of Laws in Utrecht and after her studies she gained a lot of knowledge and experience in various positions within secondment, human resource management and consultancy. She fulfilled various roles at Phact 2015-2019. In 2019, she founded her own consultancy firm. Here, Joni Mitchell fulfils hands-on ad interim roles at the intersection of secondment, change management and performance management.

In addition, she is active within Mitchell Administratie & Advies BV and Mitchell Personeel & Advies in Amersfoort, where she acts within operational management and as a strategic consultant for various SMEs throughout the Netherlands.

Joni Mitchell has been appointed for a term of 4 years at the Extraordinary Meeting of Shareholders held on 17 November 2022.

Corporate Governance Statement

This is a statement on Corporate Governance as referred to in Article 2a of the Decree on the content of the annual report of 1 January 2010 ('Decree'). This statement can also be found on Alcyone's website. The required information to be included in this Corporate Governance statement, as referred to in Articles 3, 3a and 3b of the Decree, can be found in the following chapters, sections and pages of this annual report. It is to be regarded as inserted and repeated here:

- Compliance with principles and best practice provisions of the Corporate Governance Code (Article 3 of the Decree) can be found in the chapter Corporate Governance;
- The main features of the internal risk management and control system in connection with the group's financial reporting process (Article 3a(a) of the Decree) are described in the report of the Board of Directors;
- The composition, appointment, powers and functioning of the Executive Board and Supervisory Board (Article 3a(c) of the Decree) are described in the chapters on Corporate Governance and the Supervisory Board;
- Each Alcyone share entitles you to cast one vote. There are no restrictions on the exercise of voting rights by holders of shares - neither in terms of the number of votes nor as regards the period in which they may be exercised. In addition, information about the functioning of the General Meeting (Article 3a sub b of the Decree on Resolution) can be found in the Corporate Governance chapter;
- Alcyone immediately or periodically reports to the Netherlands Authority for the Financial Markets the total of the changes in the capital and votes in accordance with Articles 5:34 and 5:35 of the Financial Supervision Act. Alcyone does not have any participations that are eligible for notifications under Article 5:43 of the Financial Supervision Act;

Control and management systems

Throughout 2023, the Executive Board and Supervisory Board continuously analysed and assessed the effective functioning of existing risk management and control systems, using the formal processes, reports and evaluations available for this purpose. It was concluded that the internal risk management system functioned properly during the year under review and that no irresponsible risks were taken.

With reference to best practice provision 1.4.3 of the Corporate Governance Code 2016, the Executive Board declares that the management report provides sufficient insight into the functioning of the internal risk management and control systems, that the aforementioned systems provide a reasonable degree of assurance that the financial reporting does not contain material misstatements and that, in the current state of affairs, it is justified that the financial reporting has been prepared as a going concern basis. And furthermore, that the management report states the material risks and uncertainties that are relevant to the expectation of the company's continuity for a period of twelve months after the report has been drawn up.

Report of the Supervisory Board

Report of the Supervisory Board

The Supervisory Board supervises the Executive Board and the Executive Board and assists them with advice. The financial reporting is also assessed on a regular basis. Special attention is paid to transparency of reporting and to compliance with accounting rules, laws and regulations of the AFM and Euronext and other legal requirements.

Strategic developments

Alcyone strives for long-term value creation. The Supervisory Board is confident that the intended value creation – in the interest of shareholders and other stakeholders – will actually be realised.

With the acquisition of a stake in Sterope, Alcyone fulfils its strategic desire to be active in various knowledge-intensive sectors and in multiple "verticals". Just like Taygeta, Sterope is active in a growth market. The healthcare sector is struggling with staff shortages and the demand for sufficiently trained healthcare staff is only expected to increase in the coming years. Sterope responds to two important trends: the increasing demand for healthcare professionals and the flexibilisation of the labour market.

The themes on which Taygeta profiles itself with its services contribute to innovation and improved services within the financial sector. Strategically, the E-commerce and Non-profit sectors have now been added. This is in the direct interest of the clients concerned as well as in the interest of their customers and therefore also generally socially relevant. There is a growing demand for specialist knowledge and experience within the defined focus sectors and Taygeta also has the ambition and a good starting position to increase its market share.

In 2023, the Supervisory Board oversaw the implementation of the strategic policy and is of the opinion that the interests of all stakeholders (shareholders, customers, employees, suppliers and society as a whole) will be carefully considered. There is no reason to revise or adjust the strategic choices that have been made. The management (Executive Board and Board) strives to grow Sterope and Taygeta in turnover and number of professionals. The Supervisory Board will monitor whether this growth is actually achieved.

Financial statements and discharge

The Supervisory Board has thoroughly read the financial statements and the 2023 annual report and discussed them in detail. ABC audited and approved the 2023 financial statements. ABC's auditor's report can be found in the other data in this annual report.

The Supervisory Board notes that the Executive Board's report for 2023 meets the requirements of transparency. The Supervisory Board is of the opinion that the financial statements give a true and fair view of Alcyone's financial position and profitability. That is why we propose to the General Meeting to adopt the annual accounts. We also ask the General Meeting to discharge the Executive Board and the Supervisory Board for the policy pursued and their supervision over the past financial year.

Composition of the Supervisory Board

The composition of the Supervisory Board remained unchanged in 2023 and consisted of David Gilmour (Chairman) and Joni Mitchell. The composition of the Supervisory Board does not yet fully comply with the guidelines of the Corporate Governance Code. Mr. David Gilmour is also a director of the company's major shareholder, which means that provision 2.1.7ii, which requires more than half of the supervisory directors to be independent, falls just short of compliance. Due to the limited size of the company, this is temporarily deviated from. The composition is balanced. The combination of experience, expertise and independence enables the Supervisory Board to perform its various tasks properly.

A retirement schedule has not yet been set because both David Gilmour and Joni Mitchell have been appointed for an initial four-year term and it is assumed that both will complete this term. In the meantime, an unplanned change can always occur. If the case arises, a retiring schedule will also be determined in the event of a proposal for reappointment for a second term.

The Supervisory Board met seven times. All members of the Supervisory Board were always present at the meetings. In addition to a limited number of physical meetings, meetings were also held online and frequent telephone and electronic consultations took place.

In the joint meetings with the Executive Board, the following topics were discussed, among others, noting that in view of the size of the company, no separate committees were set up and all topics were therefore discussed in the entire Supervisory Board:

- Strategy and implementation of the strategy, budget, financial developments, results, administrative organisation, internal control and market developments;
- Agenda requests and discussions with shareholders;
- Annual report and dividend policy;
- Press releases;
- Employee matters, including evaluation of management's performance;
- Organisational structure and general and operational state of affairs;
- Corporate governance (e.g. investor relations and publicity);
- Remuneration of the Board of Directors and Executive Board;
- Appointment of ABC as auditor for the 2023 financial statements;
- Evaluation of the Executive Board's own performance and that of the Executive Board. Evaluation of the Executive Board's own performance was carried out by means of internal feedback between the members of the Supervisory Board. Evaluation of the performance of the Executive Board was carried out by analysing the objectives achieved in relation to the objectives as defined in the annual plans derived from the strategy. Discussions were also held with managers within the organisations of the operating companies. The points of attention arising from the evaluations are actively taken up, discussed between the members of the Supervisory Board or with the Executive Board, and progress is monitored as a result;
- M&A projects

In addition to Alcyone's strategic reorientation, regular and incidental topics were discussed in the various Supervisory Board meetings, including the topics that would have been accommodated in the various committees in a larger Supervisory Board. This includes monitoring internal and external developments, implementation of the strategy, personnel (including staffing management) and the relationship with (major) shareholders.

Confidence in the future

Based on the quality of the organisation, the demands from the market and the upward trend shown in 2023, the Supervisory Board is looking forward to the further implementation of the chosen strategy at Sterope and Taygeta. In addition, the intended purchase of Kitalpha in 2024 will be monitored.

The Supervisory Board shares the Executive Board's expectation that Alcyone will be able to grow further in 2024 in terms of revenue, EBITDA and shareholder income.

Both Sterope and Taygeta have plenty of opportunities to develop and grow. The Supervisory Board offers the management of both companies the space to further develop both the organisation and the services they provide to clients. The aim is to achieve organic growth.

If opportunities arise to strengthen the companies with add-on acquisitions, Alcyone is open to them.

Amsterdam, 26 april 2024

Supervisory Board

- David Gilmour, Chairman
- Joni Mitchell

Remuneration Report

Remuneration Report

Introduction

The purpose of this report is to present the remuneration policy for the Board of Directors of Alcyone and its implementation. The Supervisory Board is responsible for the preparation and content of the report.

Remuneration of the Board of Directors

In recruiting the new Executive Board, the Supervisory Board applied the following principles.

The remuneration shall be of such a nature and extent that:

- A qualified and competent board can be attracted and retained;
- The long-term interests of the shareholders and the director run parallel as much as possible.

The total remuneration is based on current remuneration for companies of similar size and complexity and the actual time spent. For the time being, the size of Alcyone is relatively limited, with the directors of the operating companies having operational management responsibilities. From this perspective, the total remuneration of the board consists of fixed agreed remunerations. This can be done in a fixed amount to be determined annually or on the basis of a management contract in which a fixed fee is agreed linked to actual time spent. The board is not granted variable performance remuneration, either in cash or in shares.

Each year, the Supervisory Board evaluates whether the time spent and the contribution of the Board to long-term value creation should lead to an adjustment in the remuneration structure of the Board. As a result, depending on the realisation of the strategy and the associated long-term value creation, it may be decided to adjust the remuneration structure.

Fixed part of the remuneration

The Board did not enter into an employment contract with Alcyone or its subsidiaries, but management agreements for a definite and indefinite period of time with a short notice period of two months. The management agreements assume an average part-time commitment. In 2022, the management fee amounted to € 93 thousand excl. VAT. VAT, incl. reimbursement of expenses. The fee may be revised if explicit deviation from the assumed average time commitment is foreseen.

For the time being, the Supervisory Board does not consider a greater commitment or higher remuneration necessary to be able to provide the desired qualitative staffing of the Executive Board so that the strategy aimed at growth and value creation can be properly implemented. It is considered important to keep costs under control at the level of the Alcyone, which currently has an administrative task in particular. For this reason, no increase in the number of members of the Executive Board is planned in the short term.

Variable part of the remuneration

No specific targets and associated variable components, such as a bonus or profit sharing, have been agreed. The primary operational responsibility lies with the management of Taygeta and Sterope and not with the Executive Board.

Fringe benefits

Since there is no employment contract, no fixed fringe benefits have been agreed with the Executive Board. Business expenses, including those for travel by car, are reimbursed by Alcyone on a claim basis. The Board takes care of its own pension provision.

Severance pay

No compensation for termination of the contract has been agreed.

Change of control

Nothing has been agreed on this. This is also not considered necessary due to the flexible nature of the agreed termination option.

Ultimate remedium

In accordance with Section 2:135(6) of the Dutch Civil Code, the Supervisory Board has the right of ultimate remedium. This means that the Supervisory Board is authorised to adjust the value of the previously allocated variable remuneration components upwards or downwards. This is if, in his opinion, the remuneration leads to unfair outcomes due to extraordinary circumstances in the period in which predetermined performance criteria have been or should have been achieved. Above all, this fairness also takes into account social values and norms. Since no variable remuneration was granted to the Executive Board this reporting year, the above is not the case.

Claw back

In accordance with Article 2:135(8) of the Dutch Civil Code, the Supervisory Board has the right of claw-back. This is the power to reclaim from the director a variable remuneration granted on the basis of incorrect (financial) information. This applies to both short-term and long-term bonuses and to bonuses awarded/paid as well as bonuses not yet awarded/paid. So far, there are no specific objectives for Alcyone's Executive Board, nor have any associated variable components, such as a bonus or profit sharing, been agreed.

Remuneration 2023

In the absence of the Executive Board, the Supervisory Board has evaluated the objectives for 2023 and determined that there is no reason to adjust the remuneration package of the Executive Board. The following amounts related to the remuneration of the members of the Executive Board are included in the profit and loss account 2023 and 2022:

x € 1.000

	2023	2022
Jimi Hendrix	92	104
Eddie Van Halen	1	-
Peter Banks	-	-
	93	**104**

Pay ratio

Pursuant to the Corporate Governance Code, the company is required to report on the remuneration ratios. The ratio reflects the ratio between the CEO's remuneration and the average indirect salary costs. The Supervisory Board considers the ratio acceptable and will continue to monitor the development of this ratio.

x € 1,000, unless otherwise indicated

	2019	2020	2021	2022	2023
Remuneration of the Board of Directors	318	104	105	104	93
CEO remuneration	230	104	105	104	92
Average pay	94	90	92	92	83
Pay Ratio	2.4	1.2	1.1	1.1	1.1

Shareholding of the Board of Directors

The Board of Directors did not hold any Alcyone shares during 2023.

Remuneration of the Supervisory Board

Each year, the General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board. The remuneration can be reviewed annually and adjusted if necessary. The supervisory board member's remuneration consists of only one component: a fixed annual remuneration. There is no relationship between the performance of the company and the remuneration of the supervisory director. The members of the Supervisory Board do not receive any performance- or equity-related remuneration and do not accrue any pension rights with Alcyone.

The members of the Supervisory Board are not granted shares, stock options or other share-based remuneration elements. The members of the Supervisory Board are bound by the insider trading regulations applicable at Alcyone.

It should be noted that David Gilmour is a director of Mirach NV. Mirach NV holds a (direct and/or indirect) interest in Alcyone of 60% - 70%. He is also a shareholder in Alcyone through his personal company Mesarthim Holding BV.

Alcyone has not provided any loans to or guarantees for the members of the Supervisory Board.

The following amounts related to the members of the Supervisory Board are included in the profit and loss account 2023 and 2022:

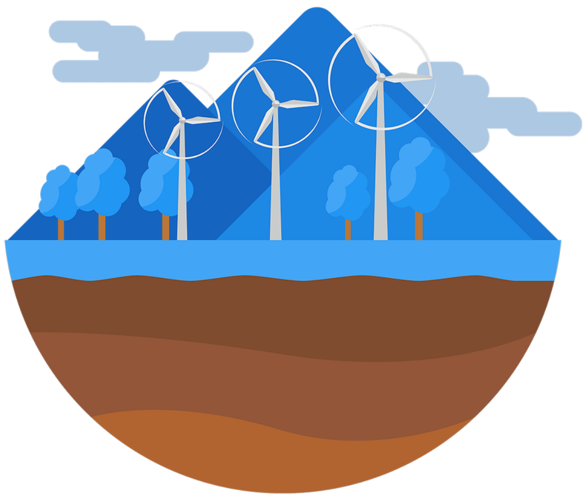
x € 1.000

	2023	2022
David Gilmour	25	25
Joni Mitchell	20	3
Francis Rossi	0	25
	45	53

Sustainability report

Sustainability Report

This report provides insight into the progress Alcyone made on sustainability, which is how we create long-term value as a listed company. Alcyone takes its responsibility seriously when it comes to Environment, Social and Governance (ESG) issues.



Circular Economy

- Committed to **Net Zero by 2040**
- Reducing resource consumption by **20%**

Climate Action

- Saved **1.2 million liters**
- Installed solar panels **60%**

For a better world

Alcyone has been steadily improving its annual sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) since 2022. In the annual report for 2025, we are legally obliged to comply with these EU reporting requirements. The European Commission intends to use the CSRD to align companies' ESG reporting with their financial reporting. This will allow stakeholders to assess the economic activities of companies on an equal basis and get a better idea of the extent to which they are creating sustainable financial and non-financial value. Following the CSRD, the European Financial Reporting Advisory Group (EFRAG) has developed the European Sustainability Reporting Standards (ESRS). The ESRS, published by the European Commission on 31 July 2023, forms the basis for this sustainability report for 2023. The reporting is factual in nature and includes 43 sustainability reporting requirements. For each section, the ESRS coding of the reporting requirement shows between brackets in the title. This report covers the double materiality assessment process, which Alcyone has launched according to the general requirements of ESRS 1. A double materiality assessment not only looks at the impact of Alcyone's activities on people and the environment, but also the positive or negative financial impact of these topics on Alcyone. Responsibilities are identified, and sustainability governance and CSRD sustainability reporting are broadly anchored in Alcyone. We will continue to monitor and validate the material topics with our stakeholders in 2024.

Over the coming years, we will make our sustainability reporting more complete every year. We embrace the CSRD as an opportunity to increase the rate for adopting sustainability practises and to increase our knowledge and insights using relevant metrics. This also takes the reports to a higher level, ensuring that they comply with the CSRD legal reporting requirements from FY 2025.

List of CSRD/ESRS disclosure requirements included in the 2023 Alcyone annual report:

General information	
ESRS 2	General disclosures
BP-1	General basis for preparation of the sustainability statements
BP-2	Disclosures in relation to specific circumstances
GOV-1	The role of the administrative, management and supervisory bodies
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
GOV-3	Integration of sustainability-related performance in incentive schemes
GOV-4	Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting
SBM-1	Strategy, business model and value chain
SBM-2	Interests and views of stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement
MDR Certification	
MDR-P	Policies adopted to manage material sustainability matters
MDR-A	Actions and resources in relation to material sustainability matters
MDR-M	Metrics in relation to material sustainability matters
MDR-T	Tracking effectiveness of policies and actions through targets
Environment	
ESRS E1	Climate change
E1-1	Transition plan for climate change mitigation
E1-3	Actions and resources in relation to climate change policies
E1-5	Energy consumption and mix
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E4	Biodiversity and ecosystems
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
E4-2	Policies related to biodiversity and ecosystems
E4-3	Actions and resources related to biodiversity and ecosystems
E4-4	Targets related to biodiversity and ecosystems
E4-5	Impact metrics related to biodiversity and ecosystems change
ESRS E5	Resource use and circular economy
E5-1	Policies related to resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy
E5-4	Resource inflows
E5-5	Resource outflows
Social	
ESRS S1	Own workforce
S1-1	Policies related to own workforce
S1-2	Processes for engaging with own workers and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	Characteristics of the undertaking's employees
S1-7	Characteristics of non-employee workers in the undertaking's own workforce
S1-14	Health and safety metrics
Governance	
ESRS G1	Business conduct
G1-1	Corporate culture and business conduct policies
G1-3	Prevention and detection of corruption and bribery
G1-4	Confirmed incidents of corruption or bribery
G1-5	Political influence and lobbying activities

General disclosures (ESRS2)

General basis for preparation of the sustainability statements (BP-1)

Our sustainability statements are prepared based off of the materiality analysis we conducted. We provided details on our organization, our approach to the materiality analysis, our outcomes, and compliancy measures.

Listed in the report are information on the organization, an outline of our materiality process, identification of stakeholders, the European Sustainability Reporting Standards, stakeholder input with benchmarking, our materiality matrices, information regarding our financial materiality, a description of how our interviews were conducted, an assessment of our risks and opportunities and corresponding strategic plan, key insights gained from our process, and concluding ideas.

The information presented was gathered in various fashions. Initially, desk research was conducted to assist in identifying stakeholders. These stakeholders were organized according to relationship type by a team of employees from multiple departments. An online survey was then conducted asking the identified stakeholders about the importance of certain sustainability topics in accordance to ESRS. The resulting data was then used to create our materiality matrices and to assess our risks and opportunities.

Our sustainability statements are compiled based on a group view. Both internal and external stakeholders were involved in our materiality analysis process, which is reflected in the statements provided. Multiple reporting specialists from different departments within the organization took accountability for conducting and reporting in the materiality analysis process.

The stakeholders considered in this statement are suppliers, clients and customers, financial institutions, business partners, government bodies, investors, knowledge thinktanks, and competitors.

Our sustainability issues were chosen based on the ESRS sustainability topics. These topics were presented to identified stakeholders in the form of an online survey. Stakeholders were asked to rank the topics importance in relevance to the organization.

The statements were filled out to the best of our abilities, including all knowledge gained through the process. Any missing information is a result of human error.

We consider stakeholder involvement in business activity using a team of co-workers. These co-workers come from different departments and hold varying backgrounds of expertise. Included in the team are members who have worked closely with varying types of stakeholders, sufficient time working in the sustainability and data fields, and working knowledge of the organization’s business practices. All team members have a clear understanding of the relationships between each stakeholder and the organization.

Our stakeholders provided their input on the relevancy of the given ESRS sustainability topics to the organization's operations. This input was measured using a numeric scale, which provided quantitative data output. The data was used to create the materiality matrices, as well as in the assessment of the organization’s sustainability as a whole.

Disclosures in relation to specific circumstances (BP-2)

In the context of sustainability reporting, in accordance with ESRS 1, paragraph 77 short-term means less than one year, medium-term means one to five years and long-term means more than five years.

The role of the administrative, management and supervisory bodies (GOV-1)

Our administrative group is made up of our consultants and internal team members. This group is self-managed and follows a structured process established by the team prior to conduction. The group is supervised by the organization's C-Suite.

The team is familiar with the organization's risks and opportunities and is responsible for bringing topics up to senior-level management. They are provided with opportunities to do so during bi-weekly company-wide meetings, as well as monthly sprint days. Management takes note of this, and after discussion passes decisions along to internal project managers.

The team has varying backgrounds and amounts of expertise on sustainability topics. However, all team members are working on sustainability efforts for client organizations, and sustainability efforts are promoted throughout the organization. Therefore, all team members have at least a base-level understanding of sustainability.

The team is composed of both executive and non-executive members.

	2023	2022
Number of executive members	6	2
Number of non-executive members	4	3

The team is representative of the employees in the organization's workforce. Everyone at the company is included in management and administrative action. Therefore 100% of the company is accurately represented.

The team all has previous industry experience, as all members have relevant sustainability expertise despite their varying backgrounds. Products are developed in house by the team. All team members reside in the Netherlands.

The team is made up of 30% men and 70% women. The two supervising bodies are both female. The team is made up of 50% Dutch natives and 50% foreign workers. 100% of the team is white.

	Female	Male
Percentage of members of administrative, management and supervisory bodies	70	30

Everday oversight is conducted internally and follows a checks and balances system. When tasks are completed, they are checked by peers of the same level or direct reports within the company. Oversight of long-term projects is done by the development department and the C-Suite.

The company is a start-up and prides itself on its commitment to inspiring innovation. Employees at all levels are encouraged to come forth with ideas and be a part of the growth of the company. Therefore, checks and balances in oversight is the best fit for this company, since responsibility is spread throughout the team.

A team of employees conducts a materiality analysis, where sustainability measures are chosen based on the European Sustainability Reporting Standards and ranked based on stakeholder input. The results are presented to the company, and then risks and opportunities are assessed to create strategies. These strategic plans are carried out by development and are overseen by C-Suite.

The team follows a checks and balances system where employees keep one another accountable. Reporting lines are indirect, as the company has no clearly defined departments. Therefore, employees formally report to C-Suite, and informally to one another. Procedures are defined based on the task at hand, where a point of contact is deemed responsible, and others are brought onto the team when needed. This system is currently followed for all internal functions.

Overseeing bodies have created metrics to measure impacts from activities based on materiality analysis. These are measured using automated processes, funnelled into an automated impact dashboard created by the company. The dashboard is presented company-wide on a monthly basis.

All overseeing bodies have a high level of sustainability-related expertise. The company itself centers around ESG reporting, giving all employees at least a foundational understanding of sustainability topics. The company also has consistent ongoing efforts to work towards more sustainable business practices, which is transparent to employees as well as other stakeholders.

The company benefits from this sustainability-related expertise as we are able to expedite our internal sustainability strategy and achieve more of our projected goals.

Our C-Suite is made up of our two founders, who both held industry experience prior to starting the company. In the three years of the company's existence, they consistently reflect on strategy, risks and opportunities, and KPIs. This information is then conveyed to the rest of the team on a regular basis, ensuring that all employees are able to oversee one another's internal sustainability initiatives.

The overseeing bodies integrate team-wide opportunities for sustainability updates into internal processes. This includes monthly presentations of internal sustainability project progress, circulating new policy updates to employees over multiple digital platforms, and encouraging employees to live sustainable lifestyles while at work.

These opportunities were implemented by C-Suite in throughout the creation of their company to continuously promote sustainability initiatives for the organization. New initiatives stem from the materiality analysis conducted, or through internal suggested. C-Suite then works with development to implement the sustainability initiatives into business practices.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Since the company is focused on products and services assisting in sustainability efforts, keeping up to date on sustainability topics is integral to the company's success both internally and externally. This is why initiatives to keep the entire team updated on sustainability developments is prioritized by the C-Suite.

Alcyone's management is regularly briefed on sustainability matters through monthly meetings and quarterly reports. These sessions cover the latest developments, client feedback, and performance metrics related to our sustainability initiatives. During the reported period, key discussions revolved around the expansion of our ESG reporting tools, feedback from target sectors, and the environmental footprint of our digital operations. Management's active involvement ensures that decisions are informed, strategic, and aligned with our overarching sustainability goals.

- Expansion and refinement of ESG reporting tools.
- Client feedback and insights from sectors like horticulture and fashion.
- Environmental footprint of Move to Impact's digital operations.
- Strategies for deeper engagement in European sustainability mandates.
- Feedback mechanisms and stakeholder engagement in sustainability initiatives.
- Exploration of greener infrastructure solutions for digital platforms.
- Challenges and opportunities in the evolving regulatory landscape of the EU.

Alcyone's leadership team has instituted robust mechanisms to ensure diligent tracking of progress towards sustainability goals. They employ a combination of platform analytics, client feedback systems, and regular internal reviews. Monthly and quarterly reporting structures are in place, allowing for a consistent evaluation of performance metrics. Any deviations from targets prompt immediate discussions, ensuring timely interventions. This systematic approach ensures that the company remains aligned with its sustainability objectives and can make informed decisions based on accurate data.

Integration of sustainability-related performance in incentive schemes (GOV-3)

Sustainability goals are included in Alcyone's annual targets (Objectives, Goals, Strategy and Measures – OGSM) for 2023. The variable remuneration for the Management Board, Management Team and other members of senior management in 2023 was based on the overall strategic objectives and financial performance. Members of the Supervisory Board do not receive variable remuneration. Our remuneration policy is set out in the 'Governance' section.

Statement on due diligence (GOV-4)

In 2023 Alcyone set up a process to integrate "HR Due Diligence" into the procurement domain. A start has been made on strengthening awareness within Procurement and updating the risk analysis on the violation of labour and human rights in the chain. As a follow-up to this risk assessment, the measures will also be redetermined. The monitoring of human rights in the supply chain was expanded in 2023 by carrying out more audits of suppliers. There will be communication with fellow business partners and with suppliers in the chain about the introduction of the CSRD and the actions to make human rights in the chain more transparent and safeguarded. For components composed of many parts from the Annual Report 2023. A creditworthy company with a solid return is sometimes difficult to obtain a clear picture of the entire chain. On the other hand, our suppliers are often large Dutch companies that are also in the process of implementing human rights legislation. The introduction of the HRDD in the supply chain is a continuous process to organise the monitoring of human rights in accordance with international law throughout the chain and to take measures to correct violations where necessary. With the implementation of awareness, risk management, monitoring, corrective mechanisms and supply chain cooperation, Alcyone complies with labour and human rights due diligence as required under the EU Taxonomy Minimum Guarantees.

Risk management and internal controls over sustainability reporting (GOV-5)

Alcyone employs a rigorous risk management approach for sustainability reporting. We ensure data accuracy through regular audits and cross-referencing with multiple sources. A dedicated team reviews all reports before dissemination to identify discrepancies or potential misinterpretations. External experts are occasionally consulted to validate our findings and ensure alignment with industry best practices. This meticulous process minimizes the risks of errors or omissions and ensures that our sustainability reporting remains transparent, accurate, and credible.

Alcyone employs a proactive approach to risk identification. Regular stakeholder feedback sessions, both internal and external, are used to gather insights and pinpoint emerging challenges. We also monitor regulatory changes, especially within the European context, to anticipate potential compliance risks. Industry trends, technological shifts, and market dynamics are continuously analyzed to highlight potential threats to our operations or strategy. This multi-faceted approach ensures that risks are identified early, allowing for timely mitigation strategies.

Alcyone prioritizes accuracy and reliability in sustainability reporting. Once potential risks are identified, dedicated teams develop and implement mitigation strategies. Regular data audits are conducted to validate the accuracy of our findings. Before any report is disseminated, it undergoes multiple layers of review to catch discrepancies. We also invest in training our staff on the latest industry standards and best practices. This rigorous process ensures our sustainability reporting remains not only accurate but also reflective of the highest industry standards.

Strategy, business model and value chain (SBM-1)

In 2023, Alcyone refined its strategic direction to align with evolving market demands and sustainability goals. Our business model focuses on delivering high-quality, environmentally conscious products, leveraging technology and strategic partnerships to enhance value for our stakeholders. The value chain at Alcyone is streamlined to ensure efficiency from raw material sourcing to customer delivery, emphasizing ethical practices, innovation, and customer satisfaction at every step. By integrating our strategy with a dynamic business model and an optimized value chain, Alcyone continues to create lasting value and strengthen its competitive advantage.

Interests and views of stakeholders (SBM-2)

Our stakeholders, including customers, employees, suppliers, investors, and community partners, have diverse yet interconnected interests. Customers are increasingly interested in sustainable and ethically produced products, while investors seek stable growth and long-term value. Employees value a supportive work environment with opportunities for growth, while our suppliers are committed to maintaining strong, mutually beneficial relationships. Throughout the year, Alcyone has actively incorporated stakeholder feedback into decision-making processes, ensuring that our initiatives align with their evolving expectations and contribute to shared success.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Alcyone closely examined its material impacts, risks, and opportunities, ensuring they align seamlessly with our strategy and business model. Key material impacts included the shift toward sustainable production, regulatory changes, and technological advancements. The primary risks we faced were supply chain disruptions and regulatory compliance challenges, while opportunities arose from the growing demand for eco-friendly products and innovations in digital transformation. Our strategy incorporated these factors by enhancing supply chain resilience, investing in green technologies, and adapting our business model to stay competitive and compliant. This proactive approach helped Alcyone create long-term value while managing potential disruptions.

Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)

Alcyone undertook a comprehensive process to identify and assess material impacts, risks, and opportunities, ensuring our business remains agile and aligned with stakeholder needs. We began by conducting a stakeholder engagement survey, gathering insights from customers, employees, suppliers, and investors about key concerns and expectations. This input was combined with market analysis, regulatory reviews, and industry benchmarking to identify material issues that could significantly impact our operations. We then conducted risk assessments and scenario planning workshops to evaluate potential risks and opportunities, considering both short-term and long-term impacts. The results of this process were integrated into our strategic planning to ensure our business model remains resilient and forward-thinking.

Disclosure requirements in ESRS covered by the undertaking's sustainability statements (IRO-2)

In 2023, Alcyone ensured full compliance with the disclosure requirements outlined in the European Sustainability Reporting Standards (ESRS) within our sustainability statements. These disclosures covered key areas such as climate-related impacts, social responsibility, governance practices, and resource management. We provided detailed information on our environmental initiatives, carbon footprint reduction targets, employee welfare programs, and measures taken to enhance supply chain transparency. By aligning with ESRS requirements, Alcyone demonstrates its commitment to transparency, accountability, and the sustainable development of our business, ensuring that stakeholders are well-informed about our progress and ongoing efforts in these critical areas.

Certification (ESRS 2 Minimum Disclosure Requirements – MDR)

Policies adopted to manage material sustainability matters (MDR-P)

Alcyone adopted comprehensive policies to manage material sustainability matters, focusing on environmental stewardship, social equity, and responsible governance. These policies include commitments to reduce carbon emissions, enforce ethical sourcing practices, ensure employee well-being, and foster diversity and inclusion, ensuring that sustainability is integrated into every aspect of our operations and decision-making processes.

Actions and resources in relation to material sustainability matters (MDR-A)

Alcyone took significant actions to address material sustainability matters, allocating resources toward renewable energy projects, supply chain transparency, and employee training on sustainability practices. These initiatives are supported by dedicated funding and partnerships to ensure effective implementation, demonstrating our commitment to sustainable growth and long-term value creation.

Metrics in relation to material sustainability matters (MDR-M) and Tracking effectiveness of policies and actions through targets (MDR-T)

Alcyone utilized key sustainability metrics to measure progress on material issues, such as carbon footprint reduction, water use efficiency, and workforce diversity. We set specific targets and tracked the effectiveness of our policies and actions through regular performance reviews, ensuring accountability and continuous improvement in our sustainability initiatives.

Environment (ESRS E)

Transition plan for climate change mitigation (E1-1)

In 2023, Alcyone developed a transition plan for climate change mitigation, focusing on reducing carbon emissions by shifting to renewable energy, optimizing energy efficiency across operations, and investing in green technologies. Our goal is to achieve carbon neutrality by 2035, with interim targets set to track our progress and ensure we meet climate-related commitments.

Actions and resources in relation to climate change policies (E1-3)

Alcyone implemented climate change policies by investing in renewable energy projects, enhancing energy efficiency measures, and allocating resources for employee training on climate-conscious practices. These efforts are supported by strategic partnerships and dedicated funding to drive effective climate action across all levels of the organization.

Energy consumption and mix (E1-5)

In 2023, Alcyone made significant strides in optimizing its energy consumption and diversifying its energy mix. Our total energy consumption decreased by 10% compared to the previous year, thanks to efficiency measures such as upgrading equipment and optimizing production processes. Additionally, we increased our reliance on renewable energy sources, with renewables now comprising 45% of our total energy mix. This shift aligns with our commitment to reducing our carbon footprint and enhancing our resilience to energy market fluctuations, contributing to our long-term sustainability goals.

	2023	2022
Total energy consumption from fossil sources	150	148
Fuel consumption from coal and coal products	45	44
Fuel consumption from crude oil and petroleum products	54	53
Fuel consumption from natural gas	40	40
Fuel consumption from other fossil sources	11	11
Net revenue from activities	26000	14000
Net revenue from activities in high climate impact sectors	12000	6000
Net revenue from activities other than in high climate impact sectors	14000	8000

Gross Scope 1, 2, 3 and Total GHG emissions (E1-6)

Alcyone closely monitored and reported its greenhouse gas (GHG) emissions across Scope 1, 2, and 3. Our gross Scope 1 emissions, which encompass direct emissions from company-owned facilities and vehicles, totaled 10,000 metric tons of CO2e. Scope 2 emissions, primarily from purchased electricity, amounted to 7,500 metric tons of CO2e, reflecting our increased use of renewable energy. Scope 3 emissions, covering indirect emissions across our value chain, were estimated at 30,000 metric tons of CO2e. In total, our GHG emissions amounted to 47,500 metric tons of CO2e, and we are committed to reducing these figures through targeted sustainability initiatives and collaborative efforts.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

Alcyone's transition plan for climate action included integrating biodiversity and ecosystem preservation into our strategic goals and business model. We prioritized minimizing our environmental footprint by investing in nature-positive practices, such as habitat restoration and reducing land-use impact. Our supply chain was re-evaluated to support sustainable sourcing and minimize harm to natural ecosystems. By adopting these measures, we are aligning our climate goals with a commitment to preserving biodiversity, ensuring that our operations contribute positively to ecosystem resilience while driving sustainable business growth.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Alcyone identified material impacts, risks, and opportunities that influenced our strategy and business model. Key risks included supply chain disruptions and regulatory changes, while opportunities arose from the demand for sustainable solutions. By integrating these insights, we refined our strategy to enhance resilience, foster innovation, and strengthen our commitment to sustainability, ensuring continued value creation.

Policies related to biodiversity and ecosystems (E4-2)

Health and safety metrics (S1-14)

Alcyone prioritized health and safety by tracking key metrics, including incident rates, employee training hours, and compliance with safety standards. These metrics ensured a safe workplace environment and helped us continuously improve our health and safety practices.

	2023	2022
Health and safety management system, or certain parts thereof, has been subject to internal audit or external certification	True	True
Percentage of own workers covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by external party	100	100
Percentage of people in own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100	100
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents	0	0
Rate of recordable work-related accidents	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	0	0

Governance (ESRS G1)

Corporate culture and business conduct policies (G1-1)

Alcyone reinforced its corporate culture by promoting inclusivity, ethical behavior, and transparency. Our business conduct policies emphasize integrity, respect, and compliance with regulations, ensuring that all employees adhere to the highest standards of professionalism and accountability.

Prevention and detection of corruption or bribery (G1-3)

Alcyone strengthened its anti-corruption framework through rigorous policies and training programs aimed at preventing and detecting corruption or bribery. We implemented strict internal controls, regular audits, and a whistleblower mechanism to ensure transparency and uphold ethical standards across all operations.

Confirmed incidents of corruption or bribery (G1-4)

Alcyone is pleased to report that there were no confirmed incidents of corruption or bribery, reflecting our strong commitment to ethical business practices and effective preventive measures.

Political influence and lobbying activities (G1-5)

Alcyone maintained transparency in its political influence and lobbying activities, ensuring that all engagements were aligned with our core values and conducted in compliance with applicable regulations to support policies fostering sustainable development.


ALCYONE

Financial statements

Consolidated statement of profit or loss 2023

x € 1.000

	Explanation	2023		2022	
Net sales	*1*	26,259		13,517	
Cost of sales	*2*	-11,031		-9,556	
Gross profit			15,228		3,961
Selling expense	*3*	-6,007		-1,251	
Impairment of goodwill	*8*	-1,902		-	
Impairment of current assets	*11*	-125		-	
General management costs	*4 and 5*	-5,444		-1,156	
			-13,478		-2,407
Result from business activities			1,750		1,554
Financial income		2		158	
Financial expense	*6*	-624		-29	
Net financing costs			-622		129
Result before profit taxes			1,128		1,683
Income taxes on results	*7*		-754		-407
Result of participation	*11*		-87		-
Total consolidated result for the period			**287**		**1,276**
Total result for the period attributable to third parties	*13*		386		-
Total result for the period attributable to shareholders	*13*		**-99**		**1,276**

x € 1

Taking into account the average number of shares outstanding.

	2023	2022
Net result from continuing operations per share	-0.01	0.11
Diluted net result from continuing operations per share	-0.01	0.11

The notes to the consolidated financial statements, the consolidated profit and loss account and the consolidated balance sheet form an integral part of these consolidated financial statements.

Consolidated balance sheet as at 31 december 2023

x € 1.000

	Explanation	December 31, 2023		December 31, 2022	
Assets					
Intangible assets and goodwill	*8*	24,935		1,908	
Tangible fixed assets	*9*	2,511		441	
Fixed assets			27,446		2,349
Loan oustanding	*10*	50		4,700	
Trade debtors and other receivables	*11*	4,715		971	
Cash and cash equivalents	*12*	5,600		3,326	
Current assets			10,365		8,997
Total assets			**37,811**		**11,346**
Equity					
Issued share capital	*13*	1,840		1,175	
Share premium	*13*	5,413		129	
Retained earnings	*13*	4,450		4,465	
Equity attributable to shareholders	*13*	11,703		5,769	
Third party share	*13*	620		-	
Total group equity			12,323		5,769
Longterm obligations					
Borrowings	*14*	10,875		-	
Deferred tax liabilities	*15*	3,421		5	
Obligations under lease and rental	*16*	969		183	
Tax debts	*17*	1,756		2,296	
Total Long-term liabilities			17,021		2,484
Current liabilities					
Borrowings	*14*	2,500		-	
Tax debts	*18*	2,812		1,264	
Trade payables and other debts	*19*	2,662		1,605	
Obligations under lease and rental	*16*	493		224	
Total current liabilities			8,467		3,093
Total liabilities			25,488		5,577
Total Equity and Liabilities			**37,811**		**11,346**

The notes to the consolidated financial statements, the consolidated profit and loss account and the consolidated balance sheet form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for 2023

x € 1.000

	Issued capital	Share premium	Retained earnings	Equity attributable to shareholders	Third party share	Total
Status as of January 1, 2023	1,175	129	4,465	5,769	-	5,769
Issuance of shares	595	5,354	-	5,949	-	5,949
Change transaction under joint management	-	-	173	173	234	407
Dividend paid to shareholders	70	-70	-89	-89	-	-89
Result for the period attributable to shareholders	-	-	-99	-99	386	287
Increase (decrease) in equity	665	5,284	-15	5,934	620	6,554
Status as of December 31, 2023	**1,840**	**5,413**	**4,450**	**11,703**	**620**	**12,323**

	Issued capital	Share premium	Retained earnings	Equity attributable to shareholders	Third party share	Total
Status as of January 1, 2022	1,175	129	3,776	5,080	-	5,080
Issuance of shares	-	-	-	-	-	-
Change transaction under joint management	-	-	-	-	-	-
Dividend paid to shareholders	-	-	-587	-587	-	-587
Result for the period attributable to shareholders	-	-	1,276	1,276	-	1,276
Increase (decrease) in equity	-	-	689	689	-	689
Status as of December 31, 2022	**1,175**	**129**	**4,465**	**5,769**	**-**	**5,769**

The notes to the consolidated financial statements, the consolidated profit and loss account and the consolidated balance sheet form an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement 2023

x € 1.000

	Explanation	2023	2023	2022	2022
Cashflow from operational activities					
Operating result			1,750		1,554
Adjustments for:					
Amortization of intangible assets	*8*		2,212		53
Impairment of goodwill	*8*		1,902		-
Depreciation of tangible fixed assets	*9*		728		274
Changes in facilities	*15*		-509		-
Changes in working capital:					
Trade debtors and other receivables	*8 and 11*		-647		871
Trade payables and other debts	*8 and 19*		-988		-1,494
Cash flow from operations			4,448		1,258
Financial charges paid	*6*		42		-15
Profit tax paid	*15 and 18*		-655		-217
Cashflow from operational activities			3,835		1,026
Cash flow from investing activities					
Acquisition of business combination		2,262		-	
Investments in intangible assets and goodwill	*8*	-82		-	
Investments in tangible fixed assets	*9*	-662		-10	
Divestments in tangible fixed assets	*9*	1		-	
Loan outstanding granted	*10*	-50		-5,600	
Repayment on loan outstanding	*10*	-		900	
Interest received on loan outstanding	*6*	2		87	
Cash flow from investing activities			1,471		-4,623
Cash flow from financing activities					
Dividend paid to shareholders of the company	*13*	-89		-587	
Repayment paid on borrowing	*14*	-2,500		-184	
Repayments made on lease and rental obligations	*16*	-		-	
Interest paid on loan borrowing	*6 and 19*	-443		-	
Cash flow from financing activities			-3,032		-771
Net cash flow			**2,274**		**-4,368**

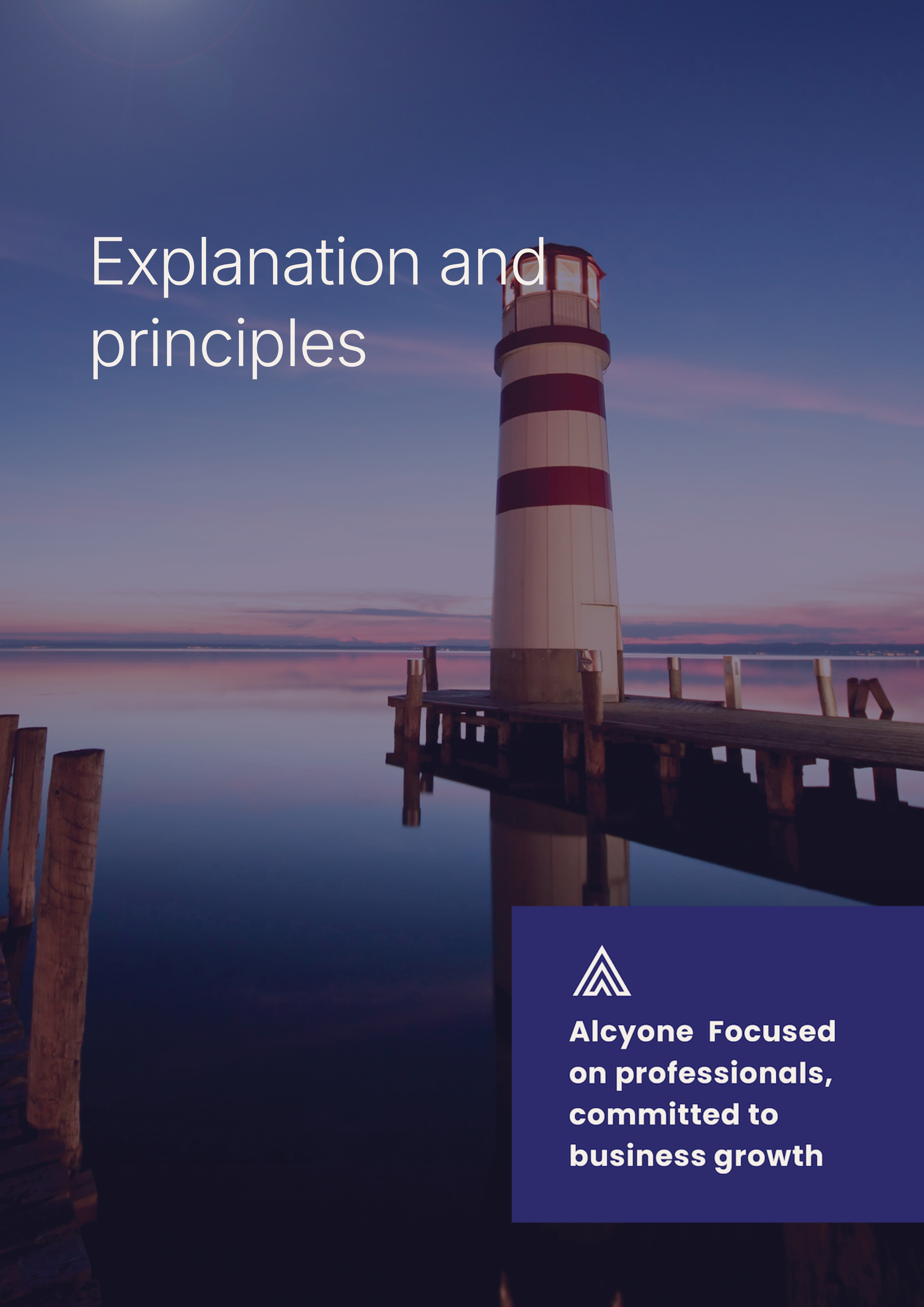
x € 1.000

	2023	2022
Liquid assets as of January 1	3,326	7,694
Liquid assets as at December 31	5,600	3,326

Alcyone has chosen to determine the cash flows from operating activities using the indirect method. The company has also chosen to present all cash flows in a single overview.

The notes to the consolidated financial statements, the consolidated profit and loss account and the consolidated balance sheet form an integral part of these consolidated financial statements.

Explanation and principles



Alcyone Focused on professionals, committed to business growth

Notes to the consolidated financial statements

General information about Alcyone

General

Reporting entity

Alcyone is a listed investment company focused on participation in companies that each focus on the deployment of professionals for the purpose of advising and supporting companies and organizations in specific sectors.

Alcyone is a public limited company incorporated under Netherlands law. Alcyone's head office is located at Plejadenplein 102, 1033 VL Amsterdam, trading under Chamber of Commerce number 01012019. Alcyone is listed on Euronext Amsterdam under the ticker "ALCY". The address of the company's registered office is Amsterdam.

The consolidated financial statements include the company itself and its subsidiaries (hereinafter referred to as "the Group").

The activities of subsidiary Taygeta concern the provision of advisory services at the interface of Business & IT, with a strong focus on professional service providers in the financial sector, such as banks, insurers, pension funds and asset managers. Taygeta's consultants translate current themes in the field of Business & IT into the business operations of its clients.

The activities of subsidiary Sterope concern the provision of advisory activities (mediation) between independent healthcare professionals and healthcare organisations on the portal mijnSterope®, which has been developed for this purpose. In this way, Sterope plays a crucial role in filling in the flexible layer for staffing in the Dutch healthcare sector.

Composition of the Alcyone Group

In addition to Alcyone NV as at the balance sheet date, the composition of the Group consists of the following companies:

- Taygeta Holding BV (100%)
-
    - Taygeta BV (100%)

- Sterope Holding BV (80%)
-
    - Electra BV (80%)
    - Sterope Care BV (80%)
    - Celaeno (80%)
    - Procyon (80%)
    - Sterope Broadcast BV (80%)
    - Sterope Flex BV (80%)
    - Sterope Talents BV (80%)
    - Sterope Secondment BV (80%)
    - Sheliak BV (80%)
    - Zaniah BV (80%)

In addition to the above-mentioned group companies, the Group also has interests in the following associates through Sterope Holding BV. From Sterope Holding BV, these are joint ventures.

- Maia Holding BV (40%)
- Maia Healthcare security BV (40%)
- Maia BV (40%)

Alcyone NV has issued a BW2:403 statement for both Taygeta Holding BV and Taygeta BV.

Accounting policies used in the preparation of the annual accounts

These financial statements relate to the financial year 2023, which ended on 31 December 2023.

Continuity

The financial statements have been prepared on the basis of the going concern assumption.

Presentation changes

With the exception of the amendments mentioned under new standards and interpretations, the Group has consistently applied accounting policies for all periods included in these consolidated financial statements.

Conformity

The consolidated financial statements have been prepared by the Board of Directors of the company in accordance with International Financial Reporting Standards, as accepted within the European Union (IFRS-EU) and with article 2:362 paragraph 9 of the Dutch Civil Code (BW). The consolidated financial statements were approved for publication by the Board of Directors on 26 April 2024. The financial statements are submitted to the shareholders for adoption at the Annual General Meeting of Shareholders.

Basis for valuation

The financial statements have been prepared on the basis of historical costs, unless otherwise indicated.

Presentation and Functional Currency

The financial statements are prepared in euros, Alcyone's functional and presentation currency. All amounts are shown in thousands of euros, unless otherwise stated.

Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments and estimates and assumptions that affect the application of accounting policies, the reported value of assets and liabilities and income and expenses. The estimates and related assumptions are based on past experience, as well as future expectations and various other factors that are considered reasonable given the circumstances.

The results form the basis for an opinion on the carrying amount of assets and liabilities that is not easily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are assessed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both the reporting period and future periods.

For an explanation of the specific items in the financial statements for which opinions, estimates or assumptions apply, please refer to the notes to the consolidated financial statements "Use of estimates and judgments".

Determination of fair value

A number of accounting policies and disclosures require fair value determination for both financial and non-financial assets and liabilities. To manage this process, the Group has established a fixed framework of control measures. This includes, among other things, a valuation team responsible for overseeing all significant fair value provisions, including Level 3 fair values. The valuation team reports directly to the Executive Board.

The valuation team regularly reviews important unobservable inputs and value adjustments. If third-party information, such as broker quotes and pricing services, is used for fair value measurement, the team reviews and documents the evidence obtained to verify that these valuations and their classification in the fair value hierarchy levels meet the requirements of the Standards. Important valuation matters are reported to the Supervisory Board.

In determining the fair value of an asset or a liability, the Group uses as much market-observable data as possible. Fair values are classified according to different levels on the basis of a fair value hierarchy, depending on the inputs on the basis of which the valuation techniques have been applied. Three levels have been defined:

- Level 1: quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: input that is not quoted market prices under level 1 and that is observable to the asset or liability, either directly (e.g. in the form of prices) or indirectly (e.g. derived from prices).
- Level 3: Input to the asset or liability that is not based on observable market data (unobservable input).

If the inputs used to determine the fair value of an asset or liability fall within different levels of the fair value hierarchy, then the given fair value as a whole is classified at the same level of the fair value hierarchy as the lowest level input relevant to the whole measurement. The Group shall process any reclassification between the levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Important accounting policies

The accounting policies described below have been applied consistently by Alcyone's entities to all periods presented in these consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the financial data of Alcyone NV and its subsidiaries. For the composition of the group, reference is made to the notes to the consolidated financial statements "Composition of Alcyone Group".

Business combinations

The Group processes business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control has been transferred to the Group. In order to determine whether a particular set of activities and assets is a business, the Group assesses whether the set of acquired assets and activities contains at least one means (input) and a substantial process, and whether the acquired set has the ability to generate production (output).

The Group has the choice to apply a 'concentration test' which allows for a simplified assessment of whether an acquired set of activities and assets is not a company. The optional concentration test is satisfied if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition is generally measured at fair value, as are the net identifiable assets acquired. Any goodwill resulting from this is assessed annually for impairments. Any book profit from an advantageous purchase is immediately reflected in profit or loss. Transaction costs are recognised when they are incurred, except where they relate to the issuance of debt or equity instruments.

The transferred remuneration does not include an amount for the settlement of existing relationships. Such an amount is generally reflected in profit or loss. The fair value of any contingent consideration is recognised at the acquisition date. If an obligation to pay a contingent consideration meets the definition of a financial instrument classified as own funds, no subsequent revaluation takes place and the settlement is recognised in equity. If this is not the case, the contingent consideration is remeasured at fair value and changes in fair value are recognised in profit or loss after initial recognition.

If remuneration in the form of share-based payments (replacement remuneration) is to be exchanged for remuneration held by employees of the acquired party (remuneration of the acquired party) and if it relates to services provided in the past, then all or part of the value of the replacement remuneration is included in the consideration to be transferred under the business combination. The calculation shall be made on the basis of the market value of the replacement remuneration compared to the market value of the remuneration of the acquired party and the extent to which the replacement remuneration relates to services provided prior to the business combination.

Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an entity if, by virtue of its involvement in the entity, it is exposed to, or entitled to, variable returns and has the ability to influence those returns through its control of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control first ceases until the date on which control ceases.

Minority interests

Non-controlling interests (third-party interests) are initially measured at the proportionate share of the acquired party's net identifiable assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in the loss of controlling control are accounted for as equity transactions.

Loss of control

If the Group loses control of a subsidiary, the assets and liabilities and any related non-controlling interests and other equity components are no longer recognised in the balance sheet. Any book profit or loss achieved is recognised in profit or loss. If the Group retains an interest in the former subsidiary, it will be measured at fair value from the time of the loss of control.

Interests in entities accounted for using the equity method

The Group's interests in entities accounted for using the equity method consist of interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence on financial and operational policy, but over which it has no control. A joint venture is an agreement over which the Group exercises joint control, whereby the Group has rights in respect of the net assets of the agreement rather than rights in respect of its assets and liabilities in respect of its debts.

Associates and joint ventures jointly controlled are accounted for using the equity method and are initially recognised at cost. The cost of the participation includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of profit or loss and comprehensive income of the associates accounted for using the equity method up to the date on which significant influence or joint control was last exercised.

Elimination of transactions on consolidation

Intercompany balances and transactions, as well as any unrealised gains and losses (excluding results on foreign currency transactions) from intra-group transactions are eliminated. Unrealised gains arising from transactions with associates accounted for using the equity method are eliminated in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no indication of impairment.

Elimination of intercompany transactions

In the preparation of the consolidated financial statements, the following are eliminated:

Intra-group balances and transactions;

- Any unrealised gains and losses on intra-Group transactions; or
- Income and expenses arising from such transactions.

Accountability of business combinations

Business combinations are accounted for on the date on which controlling control is transferred to Alcyone. Control occurs when the Group has the ability to determine an entity's financial and operational policies in order to derive benefits from the entity's activities. In assessing controlling control, the Group takes into account potential voting rights that are exercisable at that time. If the initial acquisition price at the time of the reporting date depends on future events, this price is uncertain. In this case, the Group reports an estimated contingent consideration as a liability on the balance sheet in respect of the acquisition price. The measurement of this liability at fair value is based on an assessment of the facts and circumstances at the acquisition date. If, within a period of one year after the acquisition date, facts and circumstances arise that provide further information about the situation on the acquisition date and would have resulted in a different conditional payment, the conditional consideration will be adjusted on the basis of these new facts and circumstances.

Financial instruments

Financial assets and liabilities will be included in Alcyone's financial position if it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities, other than fair value through profit or loss, are initially measured at fair value plus/minus transaction costs. Trade receivables that do not have a significant financing component are valued at their transaction price on initial recognition. In principle, a transaction price will also be the fair value on the transaction date, but this does not have to be the same.

Financial assets

The financial fixed assets consist of participating interests accounted for according to the equity method and of loans and receivables. The loans and receivables consist of trade receivables, trade receivables and cash and cash equivalents. Loans and receivables are financial instruments with fixed or determinable payments that are not quoted on an active market. The subsequent valuation of these financial assets is at amortised cost if two criteria are met:

- The business model is focused on holding the assets to realize the contractual cash flows;
- The contractual provisions of the instrument provide for cash flows on specific dates and the cash flows relate only to the principal amount and the interest on the remaining principal.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairments.

If the contractual rights to the cash flows from the asset expire, or if Alcyone transfers the contractual rights to receive the cash flows from the financial asset through a transaction that includes substantially all of the risks and rewards associated with the ownership of this asset, Alcyone will no longer take a financial asset in its financial position.

If Alcyone retains or creates an interest in the transferred financial assets, this interest will be recognised separately as an asset or liability.

Provision for expected credit losses

Alcyone records a provision for expected credit losses on financial assets measured at amortised cost. Alcyone determines these on the basis of the individual assessment of the items in question where there is no significant financing element. The amount of expected credit losses is updated at each balance sheet date to reflect changes in credit risk since the initial recognition of the relevant financial asset.

Provisions are deducted from the gross carrying amount of financial assets measured at amortised cost. The addition to the provision for expected credit losses is charged directly to the profit and loss account.

Alcyone recognises an expected credit loss for the entire remaining maturity of the trade receivables and the amounts still to be invoiced. The expected credit loss on trade receivables and the amounts still to be invoiced is primarily determined on the basis of a provisioning matrix. This is based on historical credit losses on trade receivables and the amounts still to be invoiced. The provision additionally takes into account information that is available with reasonable cost and effort about economic developments and future expectations with regard to individual positions. Trade debtors who are in bankruptcy or have applied for a moratorium are fully covered.

For other financial assets, a credit loss equal to the expected loss in the first twelve months of the life of the financial asset is recognised. The expected loss includes the present value of all financial shortcomings over the life of a financial asset multiplied by the probability that a financial shortfall will occur in the first twelve months of the life of the financial asset. If it later turns out that the credit risk has increased significantly, the loss is increased by the expected losses based on the entire remaining maturity.

At least twice a year, Alcyone determines whether the credit risk has increased significantly. To determine the expected credit loss, Alcyone uses information that is available with reasonable cost and effort. This includes quantitative and qualitative information as well as historical and forward-looking information. A significant increase in credit risk is assumed if the term for payment of principal or interest is exceeded by more than 90 days.

Objective evidence of expected losses based on the entire remaining maturity of a financial asset occurs when one or more events adversely affect its estimated future cash flows. This includes:

- Failure to meet payment obligations by or overdue payments with a debtor;
- Restructuring an amount due to Alcyone on terms that Alcyone would not otherwise have considered;
- Indications that a debtor is going bankrupt;
- Adverse changes in the payment status of accounts receivable;
- Observable data indicating a measurable decrease in the expected cash flows of a group of financial assets.

Financial liabilities

The subsequent measurement of a financial liability is at amortised cost or at fair value through profit or loss. A financial liability is measured at fair value through profit or loss when this basis is initially used. All other financial liabilities are measured at amortised cost using the effective interest method.

The financial liabilities relate exclusively to other financial liabilities. Other financial liabilities consist of trade accounts payable and purchase invoices to be receivable. For all financial liabilities, the first withdrawal is made on the transaction date. Such liabilities are initially recognised at fair value plus any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. This method is based on the expected flow of cash expenditures. This takes into account the probability of early repayment of the underlying financial instrument and the direct costs and revenues. These are, for example, the transaction costs charged, brokerage commissions and (dis)share premium.

Alcyone no longer recognises a financial obligation in its financial position if the underlying performance has been met, cancelled or expired.

Netting

Financial assets and financial liabilities are netted and the net amount is presented in the balance sheet when, and only when, the Group has a legally enforceable right to settle the amounts simultaneously and it also intends to settle them either on a net basis or to realise the asset and settle the liability simultaneously.

Hedge accounting

Alcyone does not apply hedge accounting.

Net sales

The turnover consists of consultancy activities and matching activities (mediation). The net revenue from the consultancy and matching activities consists of consideration received and to be received from third parties for the financial year in respect of the fair value of the services provided, excluding the taxes levied on them. This concerns the hours worked at the agreed rates or fixed fees agreed with the client during the reporting year. In the case of revenue from consultancy activities, the Group acts as principal and the revenue is reported on a gross basis. In the case of revenue from matching activities, the Group acts as an agent and only ensures that another party (independent healthcare professional) provides a service to a customer. Revenue from matching activities is reported on a net basis.

The net turnover from services or fixed fees is recognised in the statement of results in proportion to the services provided on the balance sheet date. If, under a single contract, services are provided in different reporting periods, the remuneration is allocated on a time-proportional basis on the basis of the service provided during the different periods. With regard to the services provided for fixed fees, these activities are carried out on an effort basis, and no guarantees were given in respect of these activities during the year under review.

Operational costs

Operating costs are presented based on the functional model. They are accounted for in the year to which they relate. Gross profit is the difference between net sales and direct costs for professionals, referred to as cost of revenue.

- The cost of turnover mainly concerns the costs of hiring third parties, personnel costs, operational costs/service fee of the fleet and the amortisation of the Sterope portal;
- Selling expenses are personnel and accommodation costs related to the operational activities, advertising and marketing costs and other selling expenses;
- General administrative expenses are the personnel and accommodation costs related to the indirect activities, automation costs, consultancy costs and other general management costs.

Financial income and expenses

The financial expenses consist of interest charges and interest on provisions and interest-bearing debts. Financial income includes interest income. Interest expense and income are calculated using the effective interest method and are accounted for in time in the statement of comprehensive income.

Income tax

Income taxes relate to current and deferred income taxes. Taxes are recognised in the statement of comprehensive income. An exception to this is taxes that relate to items that are recognised directly in equity.

Acute income taxes

Income taxes are calculated on the basis of the tax provisions in force and at tax rates established on the balance sheet date. Exempt profit components are taken into account in the calculation of income taxes. In those cases, the associated taxes are also directly accounted for in equity.

Deferred income taxes

Deferred tax assets and liabilities are recognised for temporary differences in the value of assets and liabilities. This is done in accordance with the accounting principles and the tax regulations followed in the financial statements.

Deferred tax assets and liabilities are netted as:

- there is a legally enforceable right to offset the resulting acute taxes that are to be claimed and paid;
- deferred taxes relate to the same tax authority;
- Deferred tax assets are measured to the extent that set-off against future taxable profits is considered probable. This also applies if they result from any loss carry-forward. Deferred tax assets and liabilities are measured at tax rates established at the balance sheet date. Whether they are measured at rates that have already been materially decided at the balance sheet date, for the years in which the carrying amount of the assets and liabilities is expected to be realised or settled. Deferred tax assets and liabilities are measured at nominal value.
- No deferred tax liability is incurred for these temporary differences:
-
    - non-tax-deductible goodwill;
    - the initial recognition of assets or liabilities that do not affect commercial and taxable profits;
    - related to investments in subsidiaries, to the extent that they are unlikely to be resolved in the foreseeable future.

Property, plant and equipment

Property, plant and equipment are accounted for at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs include expenses that are directly related to the acquisition of the assets in question.

Subsequent expenses for repairs and maintenance, for example, are only capitalized:

- if the asset is likely to generate additional future economic benefits;
- if the cost of the asset can be reliably determined.

All other expenses are charged directly to the statement of comprehensive income.

Depreciation of property, plant and equipment is charged on a straight-line basis to the statement of comprehensive income. This is done over the estimated useful life from the time the relevant assets are ready for use. The residual value and useful life of the assets are assessed annually at the balance sheet date and adjusted if necessary. Gains and losses arising from the disposal of property, plant and equipment are recognised in the statement of comprehensive income under general operating expenses.

Lease agreements

At the start of a contract, the Group assesses whether a contract is or contains a lease agreement. A contract is or contains a leasing agreement if, in return for remuneration, the contract grants the right to exercise control over the use of an identified asset for a certain period of time.

At the beginning or amendment of a contract containing a lease, the Group allocates the remuneration in the contract to each lease component on the basis of the relative stand-alone prices.

On the effective date of the lease agreement, the Group will assume a right of use and a lease obligation. The right of use is initially measured at cost, which includes the initial amount of the lease obligation adjusted for lease payments made on or before the effective date, plus initial direct costs incurred and an estimate of the cost of dismantling and disposing of the underlying asset or for reinstatement of the underlying asset or site on which it is located, less any lease incentives received.

The right of use is then amortized using the straight-line method from the effective date to the end of the lease term, unless the lease transfer ownership of the underlying assets to the Group at the end of the lease term, or reflects the cost of the right of use that the Group will exercise an option to buy. In this case, the right of use is depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. In addition, the right of use is periodically reduced by any impairments and adjusted for certain revaluations of the lease obligation.

The lease liability is initially measured at the present value of the lease payments not paid on the effective date, discounted on the basis of the implicit interest rate of the lease or the marginal interest rate of the Group, if that discount rate is not practicable. Generally, the Group uses its marginal interest rate as a discount rate.

The Group determines its marginal interest rate by obtaining interest rates from various external sources of financing and makes certain adjustments to reflect the terms of the lease agreement and the type of asset leased.

Lease payments included in the lease liability valuation include the following:

- fixed payments, including essentially fixed payments;
- variable lease payments that are index-dependent or price-based, initially measured on the basis of the index or price at the effective date;
- amounts that are expected to be paid under a residual value guarantee; and
- the strike price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if it is reasonably certain that the Group will exercise a renewal option, and early termination penalties of a lease unless it is reasonably certain that the Group will not terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is revalued when there is a change in future lease payments due to a change in an index or price, if there is a change in the Group's estimate of the amount expected to be paid under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, renewal or termination option, or in the event of a revision of an essentially fixed lease payment.

When the lease obligation is revalued in this way, a corresponding change is made to the carrying amount of the right of use, or it is recognised in profit or loss if the carrying value of the right of use is reduced to zero.

The Group presents rights of use that do not meet the definition of investment property under "property, plant and equipment" and lease liabilities under "loans" in the balance sheet.

Short-term leases and leases of low-value assets

The Group has chosen not to include rights of use and lease liabilities for leases of low-value assets and short-term leases (leases with a maximum maturity of 12 months), including IT equipment. The Group recognises the lease payments related to these leases as an expense on a straight-line basis over the lease term.

Goodwill

Acquisitions are recognised using the purchase method of accounting. Goodwill arises from the acquisitions of group companies. Goodwill is determined on the basis of the difference between the purchase price of the acquisition and the net fair value of the identifiable assets and liabilities acquired, including contingent liabilities at the time of acquisition. Payments related to the acquisition are measured on the basis of cash and cash equivalents paid and payable at the transaction date and, if applicable, the fair value of the equity instruments (i.e. shares) used to finance the acquisition.

Contingent elements in the purchase price are measured at fair value at the time of acquisition and also recognised as debt, with deviations due to value differences being credited to or charged to the income statement.

Goodwill is measured at cost less accumulated impairments. Costs related to an acquisition are charged to the result at the time they occur.

Goodwill is allocated to cash-generating units. An impairment of goodwill is charged to the income statement, if applicable. An impairment loss in respect of goodwill will never be reversed. In the event of a sale of an entity, where there is a loss of decisive control, the carrying amount of the goodwill is recognised in the result.

Any negative goodwill arising from the acquisition of a participating interest is recognised directly in the income statement. Goodwill in the acquisition of associates is included in the investment in associates.

Other intangible assets

Other intangible assets have a finite useful life. This includes, for example, customer databases, brand names and order backlogs (in the event of a takeover).

They are recognised at cost less accumulated amortisation and impairment losses. If intangible assets are acquired in a business combination, the cost is equal to the fair value at the acquisition date. If there is no active market for an asset, then the cost is determined at the amount that the entity would have paid in a transaction between independent parties who are knowledgeable and willing to trade, based on the best available information. Amortisation on other intangible assets is recognised on a straight-line basis in the statement of comprehensive income, in accordance with the estimated useful life of the asset. The residual value and useful life of the other intangible assets are assessed annually at the balance sheet date and adjusted if necessary.

Impairments

The carrying amount of the Group's assets, excluding deferred tax assets, is assessed at each reporting time. This is done to determine whether there are indications of impairment. If such indications are present, the recoverable amount of the asset in question is determined. If it is not possible to determine the recoverable amount of this individual asset, it is determined from the cash-generating unit to which the asset belongs. For the impairment test, assets are grouped at the lowest level at which separate cash flows can be identified (cash-generating units). An impairment loss is recognised if the carrying amount of an asset is higher than its recoverable amount. The recoverable amount is the higher of the realisable value and the value in use. An impairment loss is charged directly to the statement of comprehensive income. An impairment charge on other assets is reversed if the indications used in determining the impairment have been improved. The impairment loss is reversed only to the extent that the carrying amount of the asset item does not exceed the carrying amount determined as if the impairment had not been recognised. This takes into account the original depreciation and possible residual value.

Trade receivables and other receivables

Trade receivables and other receivables are initially measured at fair value. This generally corresponds to the face value. Subsequent measurement is made at amortised cost, using the effective interest method less impairment. Impairment losses for trade receivables and other receivables are formed when it is probable that the Group will not be able to recover these receivables in full.

The provisions are determined on the basis of an individual assessment of the recoverability of the receivables. The amount of the provision is equal to the difference between the carrying amount of the receivable and the present value of the estimated future cash flows. Impairments are charged to the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include current accounts with Rabobank, ABN-Amro Bank and ING Bank. Cash and cash equivalents are measured at fair value, usually equal to nominal value.

Equity

Common shares are classified as shareholders' equity. The dividend payment on ordinary shares is recognised as current debt in the period in which the dividend is approved by the shareholders. Is there a change as a result of the issuance of treasury shares? In that case, the amount received, less directly attributable expenses, is recognised as a change in equity under share capital. If applicable, the amount will also be included under share premium.

Accounts payable and other payables

Accounts payable and other payables are initially measured at fair value. They are then valued at amortised cost. Due to its short-term nature, the fair value generally corresponds to the nominal value.

Pensions and other employee benefits

All pension plans are "defined contribution plans" funded by contributions to institutions that are not affiliated with the Group. A defined contribution plan is post-employment benefits where the Group pays fixed contributions to a separate entity. Under this arrangement, the Group has no legal or de facto obligation to make further contributions. If these institutions do not have sufficient funds to make pension payments to all employees in respect of services provided by employees in current and previous periods, the Group has no legal or de facto obligation to make additional contributions. Defined benefit liabilities to pension plans are recognised as an employee benefit expense in the statement of comprehensive income. This is done during the period in which the employees perform the related services. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions due to a defined contribution plan that are payable more than twelve months after the end of the period in which the employees perform the related benefits are discounted to their present value.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) for the ordinary shares. Net income per ordinary share is calculated on the basis of the gain or loss attributable to the shareholders of the Group divided by the weighted average number of ordinary shares outstanding during the reporting period. In the calculation of diluted earnings per share, the gain or loss attributable to Group shareholders and the weighted average number of ordinary shares outstanding during the reporting period are adjusted for all potential dilutive effects on the common stock. This applies, among other things, to stock options granted to employees and directors. An estimate is also made of the shares that are due on acquisitions by way of the subsequent payments.

Discontinued operations

A discontinued business is a component of the Group's business, whose activities and cash flows are clearly distinguishable from the rest of the Group, and which:

- represents an individual significant business activity or geographic area of business;
- is part of a single coordinated plan to divest an individual significant business or geographic area; or
- is a subsidiary that has been acquired solely with the intention of being resold.

Discontinued business is classified as a divestiture or when the business meets the criteria for classification as held for sale, whichever is earlier.

When an activity is classified as discontinued, the comparative figures in the statement of profit or loss and comprehensive income are revised as if the business had ceased from the beginning of the comparative period.

Segmented information

An operating segment is a part of the Group that carries out business activities that may result in revenues and expenses, including in connection with transactions with other parts of the Group. All operating results of an operating segment are periodically reviewed by the Board of Directors. This is done in connection with the decision-making process on the allocation of resources to the segment and for the evaluation of performance. The assessment is based on the available financial information per operating segment. Results are reported to management by operating segment and include items that are directly or reasonably allocable to the segment. As of 2023, the operating activities have been aggregated into the Taygeta and Sterope reporting segments.

The turnover achieved in these segments comprises:

- the proceeds of consultancy activities (Taygeta);
- the proceeds of matching activities (Sterope).

New standards and interpretations

Except for the adjustments set forth below, the Group has consistently applied the accounting policies set forth for all periods included in these consolidated financial statements.

No new IFRS standards were adopted by the European Commission in 2023. The following changes to existing standards will apply from 2023:

- Amendments to IAS 16 Property, Plant and Equipment – the amendments prohibit deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the asset is being prepared for its intended use. Instead, such sales proceeds and related expenses will have to be recognised in profit or loss.
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – to clarify which costs should be included in the determination of the costs of performing a contract for the purpose of assessing whether the contract is loss-making.
- Amendments to IFRS 3 Business Combinations – the amendments update a reference to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.
- Annual improvements IFRS 2019-2021:
-   - IFRS 1 First application of International Financial Reporting Standards;
    - IFRS 9 Financial Instruments;
    - IFRS 16 Leases;
    - IAS 41 Agriculture.

None of these changes will have a direct material impact on the Group.

In addition, new standards and amendments to standards and interpretations will come into force in the coming years for financial years starting after 1 January 2024 and for which earlier application is permitted. This option has not been used by the Group.

The new IFRS 17 standard 'Insurance Contracts', which will apply from 1 January 2024, is not relevant to the Group and is therefore not further disclosed in these financial statements. The following changes to existing standards have been approved by the IASB, but will only be effective from 1 January 2024:

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – to clarify the difference between changes in accounting policies and changes in accounting estimates.
- Amendments to IAS 12 Income Taxes – the amendments limit the scope of the deferred tax recognition exemption in respect of assets and liabilities arising from a single transaction where taxable and deductible differences are the same.

The following changes to existing standards have been approved by the IASB, but will only be effective from 1 January 2024:

- Amendments to IAS 1 Presentation of the financial statements – a clarification of whether liabilities in the financial statements should be classified as current or non-current and further explanation of which accounting policies should be disclosed in the financial statements.
- Amendments to IFRS 16 Leases – a clarification on how to deal with book profit and variable lease payments in a sale and leaseback transaction.

In addition, an amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates has been approved, the effective date of which is not yet known.

The new or amended standards are not expected to have a material effect on Alcyone's ability and results upon future implementation.

Use of estimates and judgments

The board has made an estimate of a number of items in the financial statements. Although these are supported by analyses and calculations as far as possible, there is always some uncertainty. This uncertainty plays a greater role, particularly when testing impairments on goodwill and other intangible assets. Historically, there have been no material deviations at the end of estimated items from the previous financial year.

Goodwill and other intangible assets

Notes on Intangible assets and goodwill provide information on the valuation of goodwill and intangible assets and their impairment testing. Information is also provided on the valuation of the MySterope portal, its customer portfolio and other intangible assets, and its testing for impairments and inefficiencies.

Trade receivables and other receivables

The note Trade receivables and other receivables provides information on the valuation of trade receivables and their testing for bad debts. An estimate of potentially bad trading receivables is made based on the judgment of the account management and historical write-offs. In the end, the amount received may deviate from the estimate on the balance sheet date. The notes also include a sensitivity analysis for the expected credit risk. When the financial statements are drawn up, the valuation of the trade debtors is based on the management board's opinion.

Facilities

As a result of the nature of provisions in general, estimates and/or assumptions about the future are largely taken into account in determining provisions. The actual outcomes of these uncertain factors may differ materially from the estimates made. The differences between the actual outcomes and the provisions recognised may therefore affect the result for the relevant periods.

Settlement of claims and disputes

In the ordinary course of its business, the Group may be involved in disputes the outcome of which is uncertain at the balance sheet date. If applicable, an up-to-date assessment of possible obligations and additional costs that will arise from this will be made periodically and consistently in an up-to-date manner for ongoing disputes.

Consolidated statement of cash flows

The cash flow statement has been prepared using the indirect method. Cash for the cash flow statement includes the balance sheet items cash and cash equivalents and current interest-bearing debt, which are an integral part of the Group's cash management. Income taxes paid and received are included under 'Cash flow from operating activities'. Dividends paid are included under "Cash flow from financing activities". Cash obtained will be deducted from the acquisition price. The acquisition and disposal of subsidiaries result in changes in assets and liabilities. These movements have been taken into account in determining the cash flows.

Financial risk management

The Group is exposed to the following types of risks through the use of financial instruments:

a. Risk due to the pandemic Urbani;
b. Credit;
c. Liquidity risk;
d. Market risk.

In this section of the notes, we disclose the Group's exposure to each of the risks, the Group's objectives, policies and procedures for managing and measuring these risks and the Group's capital management. In addition, quantitative disclosures are included in these consolidated financial statements.

Risk management framework

The Group's Board of Directors is responsible for the operation of the internal control and risk management system. Our risk management focuses on identifying and managing risks related to the Group's financial and operational objectives. Adequate arrangements are also made from risk management to manage these risks.

Alcyone's internal control and risk management system consists of the following main components:

- Guidelines and consultation structures;
- Reporting and analytics;
- Internal control.

In view of the size of the organisation, the Supervisory Board has decided not to appoint an audit committee. The entire Supervisory Board supervises this focus area.

A: Risk due to Urbani pandemic

In the course of 2023, the risks associated with the Urbani pandemic in the use of financial instruments have decreased. In 2023, pandemic measures were slowly eased after a hard lockdown. The first relaxations followed in January 2023, in February 2023 the plan for the opening of society will be presented in three steps, with almost all measures having expired at the end of March 2023 and pandemic Urbani playing an increasingly smaller role in daily life and as of May 20, 2023, the temporary Pandemic Act has expired.

In 2021, due to the outbreak of the pandemic, the Tax and Customs Administration granted Urbani, Extraordinary Deferral for turnover tax and payroll tax for an amount of more than € 2.4 million. From 1 October 2023, this will be repaid over a maximum of 5 years. For the time being, Alcyone has chosen to make use of the opportunity to make maximum use of this period.

B. Credit

Credit risk is the risk of financial loss to the Group if a buyer or counterparty of a financial instrument fails to meet its contractual obligations. Credit risks arise mainly from receivables from customers.

Trade receivables and other receivables

Credit risks are present in the Group. Measures have been put in place to ensure that services are only provided to customers with an adequate creditworthiness record. Money transactions only take place with highly qualified credit institutions.

The Group has taken measures to limit the credit risk associated with a single credit institution. The maximum exposure to credit risk is equal to the total of outstanding receivables as disclosed in notes Trade receivables and other receivables. In addition, there is a concentration of turnover with a number of large customers, as shown in the table below:

	2023	2022
Customer 1	24%	53%

Only the customer shares > 10% are included. The concentration is shown per year and not per customer. This means that the customer names can be different from year to year.

Guarantees

As far as guarantees are concerned, the Group's policy is to provide financial guarantees only for 100% subsidiaries. For Taygeta Holding BV and Taygeta BV, guarantees as referred to in Article 2:403 of the Dutch Civil Code have been issued by the Group.

C. Liquidity risk

Liquidity risk is the risk that the Group will have difficulties in meeting financial obligations that are settled in cash or other financial assets. The basic principle of liquidity risk management is to maintain sufficient liquidity to meet current and future financial obligations – both in normal and difficult circumstances. This is done without incurring unacceptable losses or jeopardising the Group's reputation.

The Group uses a forecast model to determine cash flow needs. With this model, the Group keeps track of the main expected inflows, outflows and the development of the credit facilities. In doing so, the Group ensures that sufficient liquidity is available to cover the expected operating costs and meet financial obligations for twelve months.

To hedge the risk, Alcyone has a current account facility of €750 thousand with Rabobank and €500 thousand with ING Bank.

In 2021, due to the outbreak of the pandemic, the Tax and Customs Administration granted Urbani, Extraordinary Deferral for turnover tax and payroll tax for an amount of more than € 2.4 million. From 1 October 2023, this will be repaid over a maximum of 5 years. For the time being, Alcyone has chosen to make use of the opportunity to make maximum use of this period. The long-term portion of € 2.3 million is included in long-term liabilities and € 121 thousand is included in current liabilities.

The main objective of the company's capital management is to ensure sound financial ratios to support the company's activities and maximize shareholder value. Management monitors the capital structure and implements changes in response to changes in economic conditions. In the medium term, capital management is focused on achieving sufficient results to continue business activities and to pay dividends to shareholders if possible.

D. Market risk

Market risk refers to the risk that the Group's income or the value of financial instruments may be adversely affected by changes in market prices. This includes currency exchange rates, interest rates, and stock prices. The purpose of market risk management is to keep the market risk position within acceptable limits while maximising returns. The Group does not use derivatives and hedging tools.

Alcyone does not do business outside the Netherlands. To mitigate market risks, Alcyone has a large credit line with Rabobank and ING Bank. In addition, it has a strong cash position to absorb shocks.

Interest rate risk

The Group's results and operating cash flows are largely independent of fluctuations in interest rates. At the balance sheet date, Taygeta does not have any financing. At the level of Sterope, there are loans available from ING Bank and subordinated loans to the minority shareholders with predominantly variable interest rates.

Cash flow and fair value interest rate risk

As the Group has only limited interest-bearing assets, the Group's result is not highly dependent on changes in interest rates. The Group's cash flow and fair value interest rate risk is primarily a result of long-term and short-term floating rate borrowing.

Currency risk

The Group does not have any operations in currencies other than the euro.

Notes to the consolidated profit and loss account

1. Net sales

x € 1.000

	2023	% Total	2022	% Total
Activities A	11,918	45%	13,517	100%
Activities B	14,341	55%	-	0%
	26,259	**100%**	**13,517**	**100%**

Revenue includes the expected remuneration for the services provided to third parties during the year and is recognised when control of the promised service is transferred to the third party (e.g. the customer).

The revenue from consultancy activities is the revenue that comes from the professional deployment of own employees and independent external professionals. In the case of revenue from consultancy activities, the Group acts as principal in a transaction with control of a promised service before that service is transferred to the client. At the time of transfer of control, turnover is reported on a gross basis. The payment term for invoices is on average 30 days after the invoice date.

The revenue from matching activities concerns the revenue resulting from the matching of independent healthcare professionals with healthcare organisations on the internally developed portal mijnSterope and the associated revenue streams. In the case of revenue from matching activities, the Group acts as an agent and therefore only ensures that another party (independent healthcare professional) provides a service to the customer, the turnover is reported on a net basis. The payment term of invoices is on average 45 days after the invoice date.

2. Cost of turnover

x € 1.000

	2023	2022
Direct personnel costs (own professionals)	5,821	6,282
Cost of external employees	1,669	2,273
Amortization and exploitation MySterope portal	2,535	-
Depreciation of lease assets	125	144
Other direct costs	881	857
	11,031	**9,556**
Activities A	8,496	9,556
Activities B	2,535	-
	11,031	**9,556**

3. Selling expense

x € 1.000

	2023	2022
Indirect personnel costs and related costs	5,334	1,239
Advertising and marketing	673	12
	6,007	1,251

4. Management costs

x € 1.000

	2023	2022
Indirect personnel costs	1,572	171
Amortization of intangible assets	1,359	53
Depreciation of tangible fixed assets	184	27
Depreciation of lease assets	297	103
Housing	228	23
Other costs	1,804	779
	5,444	**1,156**

Indirect personnel costs consist of transport costs and other non-salary related personnel costs.

Other costs include:

- Office costs, insurance costs and other general costs;
- Automation costs €789 thousand (2022: €170 thousand);
- Audit and advisory fees €608 thousand (2022: €378 thousand);
- The regular costs associated with the stock exchange listing. In 2023, these amounted to €22 thousand (2022: €22 thousand);
- The remuneration of the Executive Board and the Supervisory Board, which are explained in the remuneration report.

Fee ABC Accountants NV

x € 1.000

	2023	2022
Statutory audit current financial year	186	125
Additional work control last financial year	40	17
	226	**142**

As of the 2020 financial year, ABC Accountants NV acts as the auditor. A fee of €186,195 was agreed for the performance of the statutory audit of the 2023 financial statements, excluding out-of-pocket costs, outsourced work, 4.0% surcharge for IT and support and excluding VAT (2021: €122,350). An amount of €39,729 was paid and recognised in 2023 (2022: €17,500 for the audit of the 2021 financial statements) in respect of agreed additional work for the audit of the 2022 financial statements.

5. Personnel costs

x € 1.000

	2023	2022
The total wages and salaries, social security contributions and pension costs included in the operating result is:		
Wages and salaries	9,822	6,459
Social Security	1,379	812
Pension costs and defined contribution plans	287	250
	11,488	**7,521**
These personnel costs are accounted for in the statement of realized and unrealized results under the following headings:		
Cost of sales	6,332	6,282
Indirect personnel costs	5,156	1,239
	11,488	**7,521**

Number of employees

in FTE

	2023	2022
Permanent consultants	60	73
Management of operating companies	6	2
Sale	29	3
Support	44	4
	139	**82**

This concerns the number of employees (FTEs) at the end of the financial year, excluding independent external professionals. The costs of external hiring are accounted for under Cost of turnover. All employees work in the Netherlands.

Rewards key management

Key management is understood to mean the Board of Directors and the (former) directors of the subsidiaries. The following rewards have been paid to the key management:

x € 1.000

	2023	2022
Management fee	93	104
Salary	681	314
Bonus	113	122
Pension costs	26	19
Severance pay	280	-
	1,193	559

Remuneration of the Board of Directors

In 2023, the Board of Directors received a management fee of €93 thousand (2022: €104 thousand). A more detailed explanation is included in the remuneration report.

Alcyone did not provide loans and/or guarantees to/for the benefit of members of the Board of Directors. As of December 31, 2023, there are no employee options open. No employee option-related costs are included in the income statement.

Remuneration of the Supervisory Board

The Supervisory Board received a management fee of €45 thousand (2022: €53 thousand) in 2023. A more detailed explanation is included in the remuneration report.

The remuneration of the Supervisory Board is not linked to the results of the company. The amount of this remuneration is based on what is customary for a supervisory board position at comparable organisations and is in line with the market. No loans and/or guarantees were issued to members of the Supervisory Board. David Gilmour is a shareholder of Alcyone through his personal company Mesarthim Holding BV.

6. Financial income and expenses

Financial income

Interest income relates to the interest received on the loan outstanding.

Financial charges

x € 1.000

	2023	2022
Interest expense on cash and cash equivalents	16	15
Interest charges on borrowings	550	0
	566	**15**
Interest expense on lease obligations and rental assets	58	14
Total interest and similar charges	624	29

7. Income taxes

The income tax payable is broken down as follows:

x € 1.000

	2023	2022
Profit taxes due current financial year	1,281	413
Profit taxes due for old financial years	-17	6
Change in deferred corporate tax	-510	-12
	754	**407**

The table below shows how the application of the Dutch tax rate can be reduced to the effective tax burden:

x € 1.000

	2023	2022
Result before tax from continuing operations	1,128	1,683
Fiscal adjustment items:		
Mixed charges and fines	19	16
Investment deduction	-39	-3
Difference between commercial and tax bases:		
Impairment of goodwill	1,902	
Amortization Sterope portal	853	
Amortization of customers	1,353	
Amortization other	6	52
Taxable amount	5,222	1,748
Profit tax based on the local tax rate	1,281	413
	24.5%	23.6%

Earnings per share

amounts x € 1,000 (unless otherwise indicated)
Numbers x 1,000
result per share x € 1

	December 31, 2023	December 31, 2022
Net result from continuing operations	-99	1,276
Net result from discontinued operations	-	-
Result for the period attributable to shareholders	-99	1,276
Shares issued as of January 1	11,751	11,751
Effect of shares issued	6,194	-
Weighted average number of shares	17,945	11,751
Weighted average number of shares during the year	17,945	11,751
Effect of options granted	-	-
Weighted average number of shares (diluted)	17,945	11,751
Net result from continuing operations per share	-0.01	0.11
Net result from discontinued operations per share	-	-
Diluted net result from continuing operations per share	-0.01	0.11
Diluted net result from discontinued operations per share	-	-

The total number of outstanding shares at the balance sheet date is 18,401,403, consisting of 3,868,869 A shares and 14,532,534 B shares.

Notes to the consolidated balance sheet

8. Intangible assets and goodwill

The development of intangible assets and goodwill in 2023 and 2022 is as follows:

x € 1.000

	Goodwill	Portal	Customers	Other	Total
Status as of January 1, 2023					
Purchase value	2,273	-	-	253	2,526
Cumulative amortization	-	-	-	-247	-247
Cumulative impairment	-371	-	-	-	-371
Book value as of January 1, 2023	**1,902**	**-**	**-**	**6**	**1,908**
Mutations					
Investments	-	-	-	82	82
Acquired business combinations	9,313	3,841	13,905	-	27,059
Amortization	-	-853	-1,353	-6	-2,212
Impairment	-1,902			-	-1,902
Balance changes	**7,411**	**2,988**	**12,552**	**76**	**23,027**
Status as of December 31, 2023					
Purchase value	11,586	3,841	13,905	335	29,667
Cumulative amortization	-	-853	-1,353	-253	-2,459
Cumulative impairment	-2,273	-	-	-	-2,273
Book value as of December 31, 2023	**9,313**	**2,988**	**12,552**	**82**	**24,935**

	Goodwill	Portal	Customers	Other	Total
Status as of January 1, 2022					
Purchase value	2,273	-	-	253	2,526
Cumulative amortization	-	-	-	-194	-194
Cumulative impairment	-371	-	-	-	-371
Book value as of January 1, 2022	**1,902**	**-**	**-**	**59**	**1,961**
Mutations					
Amortization	-	-	-	-53	-53
Impairment	-	-	-	-	
Balance changes	**-**	**-**	**-**	**-53**	**-53**
Status as of December 31, 2022					
Purchase value	2,273	-	-	253	2,526
Cumulative amortization	-	-	-	-247	-247
Cumulative impairment	-371	-	-	-	-371
Book value as of December 31, 2022	**1,902**	**-**	**-**	**6**	**1,908**

For the MySterope portal, the expected economic lifespan is set at 5 years (20% p/a) and for Sterope's customer portfolio at 11 years (9% p/a). The depreciation period of the other intangible fixed assets is 5 years (20% p/a).

Acquisition of the Sterope subsidiary

Transactie

On 5 January 2023, Alcyone acquired 60% of the shares and voting rights in Sterope Holding from major shareholder Mirach. With the acquisition of Sterope, the size of Alcyone increases significantly and the company becomes stronger and more market-worthy. The acquisition also fulfils the desire to be active in adjacent sectors and in multiple verticals. On 17 November 2022, Alcyone's shareholders approved the acquisition of Sterope at the Extraordinary General Meeting of Shareholders. Because Mirach is a major shareholder of Alcyone, this transaction is a jointly managed transaction (TUCC).

Based on the realized EBITDA 2022, the selling shareholders have been diluted by 20% in favor of the stake held by Alcyone. Dilution took place through the repurchase of treasury shares and subsequent cancellation of the treasury shares by Sterope Holding. This repurchase and withdrawal took place on April 14, 2023. As of April 14, 2023, Alcyone holds an 80% stake in Sterope Holding.

Remuneration carried forward

The transaction price for the acquisition by Alcyone of the stake in Sterope Holding amounts to € 10.65 million and is financed as follows:

- € 2.25 million through the issuance of A shares to Mirach;
- € 3.70 million through the issuance of B shares to Mirach;
- € 4.70 million by offsetting the remaining balance of the loan u/g to Mirach.

Equity instruments issued

The fair value of the issued A and B shares is determined on the basis of the weighted average of the (stock exchange) trading in Alcyone and its legal predecessor in 2022.

Acquisition-related costs

Sterope has been acquired from major shareholder Mirach through a transaction under joint management. Alcyone did not incur any material acquisition costs for this transaction under common management.

Identifiable assets acquired and liabilities incurred

The following table provides insight into the amounts recognised for assets acquired and liabilities incurred at the acquisition date.

x € 1.000

Customer portfolio	13,906
Sterope Portal	3,841
Tangible fixed assets	535
Lease assets	499
Trade receivables	1,563
Other receivables	1,534
Cash	2,262
Loans and other financing obligations	-16,374
Deferred tax liabilities	-3,924
Trade payables and other payables	-2,045
Balance of identifiable assets and liabilities	**1,797**

Determination of fair values

The valuation techniques used to determine the fair value of material assets were as follows:

- Client portfolio: 'Cost approach' and 'multi excess earnings' method. The cost approach is based on the costs to be incurred that are necessary to get back into the position of what has been taken over (replacement cost). The multi excess earnings method is based on the present value of the net cash flows expected to be generated by the customer relationships, excluding cash flows related to ancillary assets.
- Sterope portal: 'Cost approach' and 'multi excess earnings' method. The cost approach is based on the costs to be incurred that are necessary to get back into the position of what has been taken over (replacement cost). The multi excess earnings method is based on the present value of the net cash flows expected to be generated by the customer relationships, excluding cash flows related to ancillary assets.

Trade receivables consist of gross contractual receivables of €1.6 million, of which €15 thousand was expected to be uncollectable at the acquisition date.

Goodwill

The structuring of the transaction is based on the price at which Mirach NV acquired the interest in Sterope Holding BV in 2022. The financial treatment within Alcyone is based on "carry over accounting", in which the goodwill that arose from the initial acquisition of Sterope Holding by Mirach (€ 9.3 million) serves as a starting point and no new goodwill is created within Alcyone. The difference is recognised directly in Alcyone's equity.

The goodwill has been paid for Sterope's expected future value growth. Sterope is expected to grow in the coming years, partly because the non-employee personnel healthcare market is growing and partly because of a higher market share due to market penetration. Because the goodwill arises from a share transaction, it is not tax deductible.

x € 1.000

Total consideration transferred	10,650
Minority interest of selling shareholders	719
Fair value of the identifiable net assets	-1,797
Goodwill	9,572
Goodwill TUCC transaction (Mirach NV transaction)	9,313
Direct change in equity	**259**

Purchase price mechanism

As of April 14, 2023, Alcyone holds an 80% stake in Sterope Holding. The positive dilution result of € 401 thousand is recognised directly in shareholders' equity attributable to shareholders.

Net sales and result after tax

As of the transaction date, Sterope has generated a turnover of € 14.329 million. The result after tax as of the transaction date amounted to € 965 thousand, of which € 731 thousand attributable to shareholders.

Goodwill impairment

With regard to the recognised goodwill, Alcyone distinguishes the following cash-generating units:

- Sterope Holding (advising healthcare professionals);
- NIS (Data Management & Application Integration) in Taygeta.

Goodwill Sterope Holding

The goodwill Sterope Holding was created in the acquisition of Sterope Holding in 2023.

The impairment analysis on the goodwill of Sterope Holding was carried out on the basis of a Discounted Cash Flow Method.

Cash flow projections are projected for revenue growth of 14% in 2024 and then 5% annual growth over the projection horizon through 2028. Historically, growth rates have averaged between 20% and 25%. Costs are rising in line with expected inflation and based on benefits related to volume growth (less proportional to revenue growth) as well as specific estimates of personnel costs related to the maintenance of the digital advice portal (mySterope).

The projection horizon covers 2024 to 2028. Over the projection horizon, a growth rate of 2% (terminal inflation) has been used, based on the ECB's long-term inflation target.

The risk-free interest rate used (equity cost rate) is 3% and is based on the risk-free interest rate published by Pablo Fernandez of 1.3% plus an additional surcharge of 1.7%. The long-term expectation of the risk-free interest rate has therefore been set by management at 3%. The market risk premium used is 6.2% and is based on a publication by Pablo Fernandez. The enterprise risk premium (Alpha) is set at 5.2% and has been determined by management on the basis of a model accepted in the market (BDO model). The cost rate of debt capital is 5.382% and is based on the cost rate of the financing available within Sterope. The average capital ratio is determined on the basis of a weighted average capital structure of comparable companies in a selected industry (Damadoran publication). The tax rates used are based on the currently transparent tax rates. Based on the above assumptions, the WACC used is 14.42%.

Based on the test performed, there is no impairment in 2023. The break-even point is at a WACC of 22.45% or an adjustment of revenue growth from 2025 onwards by -/- 17.7% over the projection horizon.

Goodwill NIS (Data Management & Application Integration)

The NIS goodwill was created with the acquisition of Sadalbari Services BV in 2018. The goodwill of € 2,273 thousand represents the difference between the acquisition price and the fair value of the identifiable assets acquired. In 2020, an impairment of € 371 thousand took place.

For the impairment analysis of the goodwill NIS (Data Management & Application Integration), a Discount Cash Flow Method (mid-year convention) was used.

With regard to the cash flow forecasts, an annual growth in revenue and a less proportional increase in costs are assumed. Due to market conditions, the annual growth forecast has fallen significantly compared to previous years' expectations. Annual revenue growth of 2% for the years 2024-2028.

The projection horizon covers 2024 to 2028. Over the projection horizon, a growth rate of 0% (terminal inflation) has been used.

The risk-free interest rate used (cost rate of equity) is 5.601% and is based on the risk-free interest rate published of 2.601% (20-year government bonds Germany) plus an additional premium of 3.0%. The long-term expectation of the risk-free rate has therefore been set by management at 5.601%. A Beta of 0.95 is used, based on a publication by Damadoran. The market risk premium used is 5.75% and is based on a publication by ABC. The enterprise risk premium (Alpha) is set at 5.868% and has been determined by management on the basis of a model accepted in the market ('BDO model'). The borrowed capital cost rate used is 5.601%. The average capital ratio is determined on the basis of a weighted average capital structure of comparable companies in the industry based on an estimate made by management. The tax rates used are based on the currently transparent tax rates. Based on the above assumptions, the WACC used is 12.943%.

Based on the test carried out, an impairment charge of €1,902 thousand was implemented in 2023. The goodwill NIS Data Management & Application Integration was valued at € nil as a result of the impairment loss.

9. Property, plant and equipment

Below is the development in 2023 and 2022 of tangible fixed assets:

x € 1.000

	2023			2022		
Status as of January 1	**Tangible fixed assets**	**Lease assets**	**Total**	**Tangible fixed assets**	**Lease assets**	**Total**
Purchase value	160	991	1,151	150	991	1,141
Accumulated depreciation	-126	-584	-710	-100	-468	-568
Book value as of January 1	**34**	**407**	**441**	**50**	**523**	**573**
Mutations						
Acquired business combinations	535	468	1,003	-	-	-
Investments	662	1,097	1,759	10	123	133
Depreciation	-181	-422	-603	-26	-179	-205
Disposals acquisition value	-1	-278	-279	-	-123	-123
Divestments cumulative depreciation	-	190	190	-	63	63
Balance changes	1,015	1,055	2,070	-16	-116	-132
Status as of December 31						
Purchase value	1,356	2,278	3,634	160	991	1,151
Accumulated depreciation	-307	-816	-1,123	-126	-584	-710
Book value as of December 31	**1,049**	**1,462**	**2,511**	**34**	**407**	**441**

Depreciation rates

The expected economic life and related annual depreciation rates per category of property, plant and equipment are:

	Term	Depreciation
Inventory	5-10 years	10% - 20%
Computers	5 years	20%
Software	**5 years**	**20%**

Under IFRS 16, current operating leases of the fleet, as well as the rental of business premises, are included in the balance sheet as property, plant and equipment. The following table shows the progression:

x € 1.000

	2023			2022		
	Fleet	**Business premises**	**Total**	**Fleet**	**Business premises**	**Total**
Status as of January 1	320	87	407	440	150	590
Depreciation	-65	-357	-422	-184	-63	-247
Acquired business combination	58	410	468	-	-	-
Purchases	510	587	1,097	124	-	124
Divestments	-88	-	-88	-60	-	-60
Status as of December 31	**735**	**727**	**1,462**	**320**	**87**	**407**

An interest rate of 5.4% has been calculated. An equal discount rate of 5.4% was applied to all similar contracts newly concluded in 2023 (2022: 3.5%).

By way of further explanation, the following:

Rental and lease obligations

x € 1.000

	Number	Up to and including the financial year	Total obligation	Obligation < 1 year	Obligation > 5 years
Rental obligations for commercial properties	8	2028	870	288	26
Fleet lease obligations	30	2026	544	256	-
			1,414	**544**	**26**

10. Loans outstanding

x € 1.000

	December 31, 2023	December 31, 2022
Loan Maia BV	50	-
Loan Mirach NV	-	4,700
	50	**4,700**

In June 2022, Mirach NV was granted a loan of € 5.6 million. This was repaid €0.9 million during 2022, so that the remaining receivable at year-end 2022 amounted to €4.7 million. The interest rate was 0.5% per month. In January 2023, the loan was set off in its entirety against the debt arising from the purchase of Sterope Holding.

The loan to Maia BV, a 100% participation of Maia Holding BV, is immediately due and payable and therefore presented in its entirety in the current receivables.

11. Trade receivables and other receivables

x € 1.000

	December 31, 2023	December 31, 2022
Trade debtors	2,948	774
Turnover still to be invoiced	1,103	-
Other receivables	664	197
	4,715	**971**

Trade receivables

x € 1.000

	December 31, 2023	December 31, 2022
Trade debtors	3,083	774
Decreases: provision for accounts receivable	-135	-
	2,948	**774**

Trade receivables collateral issued

Taygeta's trade debtors, amounting to € 1.1 million, have been pledged to Rabobank as collateral in the event that the credit facility is used. This funding margin was also not used in 2023.

Sterope's trade debtors amounting to € 1.9 million have been pledged to ING Bank NV as collateral for the credit facility.

All trade receivables and other receivables are current.

The age of the receivables is broken down as follows:

x € 1.000

	December 31, 2023	December 31, 2022
0-30 days	2,092	774
31-60 days	328	-
61-90 days	125	-
91-120 days	65	-
Older than 120 days	473	-
Total	**3,083**	**774**
Provision	-135	-
Book value at the end of the financial year	**2,948**	**774**

Trade receivables credit risk

The expected credit risk of the receivables is structured as follows:

x € 1.000

Expected credit risk at year-end 2023	31-60 days	61-90 days	> 90 days	Total
Expected credit risk	5%	15%	25%	
Gross amount	328	125	538	991
Expected credit risk	16	19	135	170
Expected credit risk at year-end 2022	**31-60 days**	**61-90 days**	**> 90 days**	**Total**
Expected credit risk	5%	15%	25%	
Gross amount	0	0	0	0
Expected credit risk	0	0	0	0

Other receivables

x € 1.000

	December 31, 2023	December 31, 2022
Deposits	98	22
Prepaid amounts	338	77
Receivables from participations	**193**	**0**
Interest receivable on loan outstanding	**0**	**71**
Other receivables	35	27
	664	197

Receivables from participating interests

The item Receivables from associates (nominal € 483 thousand) concerns receivables in current account on Maia Holding BV and its 100% participations Maia BV and Maia Zorgbeveiligingen BV. Maia Holding BV c.s. (hereinafter: Maia) is a 50% participation of Sterope Holding and has its registered office in Eindhoven. Maia is a start-up and active in healthcare security. On the basis of agreements made in the articles of association and shareholders' agreement on control and voting rights, Maia has been designated as a joint venture of Sterope. Maia has been accounted for on the basis of Sterope's share of net assets using the equity method. In connection with the negative value of Maia, the item receivables from associates was written down by € 143 thousand. In addition, an additional write-down of € 146 thousand was made for suspected bad debts.

For the 2023 financial year, net revenue amounted to €1,456 thousand, the consolidated result after tax was €174 thousand negative and the consolidated balance sheet total amounted to €40 thousand.

The participation of Maia Holding BV is processed as follows:

x € 1.000

	2023	2022
Balance as of January 1	-	-
Acquired business combinations	-56	-
Share in the result	-87	-
Dividend payment	-	-
	-143	-
Provision	143	-
Balance as of December 31	**-**	**-**

	2023	2022
Net result from continuing operations	-87	-
Result of discontinued operations	-	-
Total result for the period attributable to the shareholders	**-87**	**-**

12. Cash and cash equivalents

x € 1.000

	December 31, 2023	December 31, 2022
Freely absorbable	5,547	3,322
G accounts	53	4
	5,600	**3,326**

Taygeta has a credit facility of € 750 thousand with Rabobank with a floating interest rate of 1-month Euribor + 2.15% and a commitment commission of 0.5% per annum. During the year, Taygeta did not use this facility.

Sterope has a credit facility of € 500 thousand with ING Bank NV with a variable interest rate of 1-month Euribor + 3.5% and a commitment commission of 1.5% per annum.

For the collateral provided, reference is made to off-balance-sheet liabilities and assets.

13. Shareholders' equity

The company's share capital is €5 million. This is divided into:

- 20 million Class A ordinary shares of €0.10;
- 20 million ordinary B shares of € 0.10;
- 10 million cumulative C preference shares of € 0.10.

The table below shows the development of the outstanding number of Alcyone shares. The B shares are included in the listing. There are no outstanding C shares.

Quantity x 1

	December 31, 2023	December 31, 2022
Shares A	3,868,869	-
Shares B	14,532,534	11,750,940
	18,401,403	**11,750,940**

Issued share capital

x € 1.000

	Shares A		Shares B		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Outstanding on January 1	-	-	1,175	1,175	1,175	1,175
Issuance of shares	370	-	225	-	595	-
Dividend paid to shareholders	17	-	53	-	70	-
Outstanding on December 31 - paid up	**387**	**-**	**1,453**	**1,175**	**1,840**	**1,175**

Issuance of shares

On 5 January 2023, Alcyone issued 3,700,000 A shares and 2,249,060 B shares to finance the transaction price of Sterope Holding. The fair value of the issued A and B shares is set at € 1.00, being the weighted average of the (stockbroke) trading in Alcyone and its legal predecessor in 2022. The nominal value of the A shares and B shares is € 0.10 per share. The difference of € 0.90 per share is included in the share premium reserves.

(Stock)dividend

On 14 July 2023, 701,403 new shares were issued as a stock dividend, divided into 168,869 A shares and 532,534 B shares.

Share premium reserve

x € 1.000

	Share premium reserve A		Share premium reserve B		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Status as of January 1	-	-	129	129	129	129
Issuance of shares	3,330	-	2,024	-	5,354	-
Dividend paid to shareholders	-17	-	-53	-	-70	-
Status as of December 31	**3,313**	**-**	**2,100**	**129**	**5,413**	**129**

Retained earnings

x € 1.000

	2023	2022
Status as of January 1	4,465	3,776
Change transaction under joint management	173	-
Dividend paid to shareholders	-89	-587
Result for the period attributable to the shareholders	-99	1,276
Status as of December 31	4,450	4,465

Transaction transaction under common management

For the transaction under common management, we refer to the notes to the consolidated financial statements, part Acquisition of subsidiary Sterope. It includes information on the treatment of the initial transaction and the treatment of the purchase price mechanism, both of which lead to a direct change in equity.

Dividend paid

On 14 July 2023, a cash dividend of €89 thousand (incl. dividend withholding tax) was paid out to shareholders.

Third-party share

x € 1.000

	2023	2022
Status as of January 1	-	-
Change transaction under joint management	234	-
Result for the period attributable to third parties	386	-
Status as of December 31	**620**	**-**

14. Borrowings

x € 1.000

	Long-term part		Short-term part	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
ING Bank NV acquisition financing	6,875	0	2,500	0
Subordinated loans to participants	3,300	0	0	0
Current account participants	700	0	0	0
	10,875	**0**	**2,500**	**0**

Below is the development in 2023 of the borrowings.

ING Bank NV acquisition financing

x € 1.000

	2023	2022
Status as of January 1	0	0
Acquired business combination	11,875	0
Financial year repayment	-2,500	0
Status as of December 31	9,375	0
Repayment obligation next financial year	-2,500	0
Long-term portion as of December 31	**6,875**	**0**

The term of the financing agreement with ING Bank ends on 1 July 2027. Every quarter, repayment of € 625 thousand takes place on the first day. The interest (3-month EURIBOR + 3.25%) is payable quarterly in arrears and is paid no later than the first day of the following quarter. Securities are the first pledge on the shares in Sterope Holding B.V. and its subsidiaries, the first pledge on business equipment, other assets, receivables on trade receivables and stocks, and the first pledge on all trademark rights and other intellectual property rights of Sterope Holding B.V. and its subsidiaries. The remaining term of this funding is 4 years.

For 2023 and all relevant periods thereafter, Senior Net Leverages (cash flows for debt service in relation to total net debt service) of no more than 1.5 and Debt Service Cover Ratios (net debt, less principal payments of subordinated loans to the satisfaction of the bank, in relation to EBITDA) of at least 1.2 are included in the loan covenants. The agreed covenants (only) relate to the financial position of Sterope Holding. As of the balance sheet date, the stipulated covenants have been met.

Subordinated borrowing for participants

x € 1.000

	2023	2022
Status as of January 1	0	0
Acquired business combination	3,300	0
Financial year repayment	0	0
Status as of December 31	3,300	0
Repayment obligation next financial year	0	0
Long-term portion as of December 31	**3,300**	**0**

The term of the subordinated borrowing ends on 1 October 2027. The interest rate is set at 5.5% - 6.0%. The interest is paid annually, provided that Sterope complies with the covenants of ING Bank NV.

Current account participants

x € 1.000

	2023	2022
Status as of January 1	0	0
Acquired business combination	700	0
Financial year repayment	0	0
Status as of December 31	700	0
Repayment obligation next financial year	0	0
Long-term portion as of December 31	**700**	**0**

The term of the current account participants is indefinite. Repayments will be made from Sterope's excess cash flow if the covenants of ING Bank NV are met.

15. Deferred corporate income tax

x € 1.000

	2023				2022			
	Portal	Customers	Other	Total	Portal	Customers	Other	Total
Status January 1	-	-	5	5	-	-	17	17
Acquired business combinations	960	2,965	-	3,925	-	-	-	-
Realization	-214	-290	-5	-509	-	-	-12	-12
As of December 31	**746**	**2,675**	**-**	**3,421**	**-**	**-**	**5**	**5**

Deferred corporate income tax is linked to the identifiable intangible assets acquired.

16. Lease and rental obligations

x € 1.000

	December 31, 2023	December 31, 2022
Fleet	735	320
Business premises	727	87
	1,462	**407**
Position at the beginning of the financial year	407	590
Investment leases	1,097	124
Lease divestments	-88	-60
Acquired business combinations	468	-
Repayment	-422	-247
Balance at the end of the financial year	**1,462**	**407**
Of this is short-term	493	224
This is long-term	969	183
	1,462	**407**

As a result, for the current operating leases of the fleet and the lease of the business premises, the item "Lease rights of use" has been included on the balance sheet under the simultaneous inclusion of the item "Lease debt" on the liabilities side of the balance sheet.

The part that will mature in 2024 is included in current liabilities. The part that will mature in 2025 and subsequent years is included here as a long-term liability.

17. Long-term tax liabilities

x € 1.000

	2023	2022
Status as of January 1	2,417	2,417
Financial year repayment	-133	-
Status as of December 31	2,284	2,417
Repayment obligation next financial year	-528	-121
Long-term portion as of December 31	1,756	2,296

In 2021, due to the outbreak of the pandemic, the Tax and Customs Administration granted Urbani, Extraordinary Deferral for turnover tax and payroll tax for an amount of more than € 2.4 million. From 1 October 2023, it has started to be repaid over a maximum of 5 years. The long-term portion of € 1.8 million is included under the item tax payables.

Recovery interest is payable on the amount of the special deferral granted. This interest rate has been temporarily reduced to 0.01% per year from 23 March 2022 and will gradually return to the old level from 1 July 2023. On 1 July 2023, the annual recovery interest rate will be set at 1%, as of 1 January 2024 at 2%, and then in 2 steps at 4% on 1 January 2025.

18. Short-term tax liabilities

x € 1.000

	December 31, 2023	December 31, 2022
Corporate tax payable	807	199
Other taxes and social charges	2,005	1,065
	2,812	**1,264**

In 2022, due to the outbreak of the pandemic, the Tax and Customs Administration granted Urbani, Extraordinary Deferral for turnover tax and payroll tax for an amount of more than € 2.4 million. From 1 October 2023, it has started to be repaid over a maximum of 5 years. The current part of € 528 thousand is included under the item other taxes and social security contributions.

19. Trade creditors and other payables

x € 1.000

	December 31, 2023	December 31, 2022
Trade payables	764	328
Wages, salaries and deferred compensation components	1,152	973
Interest owed to credit institutions	107	-
Accountant fees	289	70
Remaining debts	350	234
	2,662	**1,605**

A liability is short-term if it is expected to be settled within twelve months. All "Other liabilities" are short-term. The carrying amount of other liabilities is virtually equal to the fair value.

Off-balance-sheet liabilities and assets

Off-balance-sheet liabilities relating to the fiscal unity

Alcyone NV is the head of the fiscal unity corporate income tax and turnover tax with Taygeta Holding BV and Taygeta BV.

Sterope Holding BV is the head of the fiscal unity corporate income tax with all its 100% participations.

Funding

Credit facilities

Taygeta has a credit facility of € 750 thousand with Rabobank with a floating interest rate of 1-month Euribor + 2.15% and a commitment commission of 0.5% per annum. During the year, Taygeta did not use this facility.

Sterope has a credit facility of € 500 thousand with ING Bank NV with a variable interest rate of 1-month Euribor + 3.5% and a commitment commission of 1.5% per annum.

Securities

Collateral relating to the ING Bank NV acquisition financing are the first pledge on the shares in Sterope Holding B.V. and its subsidiaries, the first pledge on business equipment, other assets, receivables on trade receivables and inventories and the first pledge on all trademark rights and other intellectual property rights of Sterope Holding B.V. and its subsidiaries.

Claims

Alcyone is not involved in litigation of a material nature or magnitude. Alcyone has taken out professional and business liability insurance for its activities. Directors' and Officers' Liability Insurance has also been taken out for the Executive Board and the Supervisory Board.

Environmental and climate-related risks

Social thinking about the environment and climate has become an important issue in recent years. Although Alcyone does not experience any direct impact on its services, it has been taking this into account in its business operations for years, for example by offering its employees alternative forms of transport and by focusing its purchasing policy on environmentally and climate-friendly products and the production of these products. The Board is of the opinion that the impact of climate-related risks has no material impact on the items and disclosures, including opinions and estimates in the financial statements.

Related parties

During 2023, there have been no transactions with related parties, other than those listed here.

Member of the Supervisory Board

On 20 December 2019, David Gilmour was appointed as a member of the Supervisory Board. Mr. David Gilmour is also a director of Mirach NV, which at the end of 2022 has a direct and indirect interest in Alcyone of 60% - 70%. For a detailed explanation, please refer to the Register of substantial participations and gross short positions on www.afm.nl. Mr. David Gilmour is also a shareholder of Alcyone through his personal company Mesarthim Holding BV.

By virtue of the position of Supervisory Board member at Alcyone in a personal capacity, Mr. David Gilmour received the applicable remuneration in 2022. For further explanation, please refer to the notes to the consolidated profit and loss account "Personnel costs", the Supervisory Board's Report and the Remuneration Report.

Loan outstanding

A loan was granted to Mirach NV by Alcyone in 2022. The arm's length principle was applied, so that the loan was concluded under market conditions. See the notes to the consolidated balance sheet "Loan outstanding".

Acquisition of the Sterope subsidiary

On 5 January 2023, Alcyone NV acquired a majority stake of 60% in Sterope Holding BV by acquiring the stake of major shareholder Mirach NV. Mirach NV, in turn, acquired this interest itself on 15 June 2022. Because Mirach NV is a major shareholder of Alcyone NV, this transaction is a transaction under joint management (TUCC). The purchase took place at the same price at which Mirach NV itself acquired the shares, plus the costs incurred and interest payment.

Result per reporting segment

Up to and including 2021, the Group published segmented information with a split between consultancy activities and contracting activities. Because the contracts activities had been sold, only the consultancy activities segment were mentioned in 2022.

With the investment in Sterope at the beginning of 2023, the results will be differentiated between the segments consultancy activities and matching activities as of 2023. Basically, the Group works with a local management team per organisational (and legal) unit (vertical). The industry in which each vertical operates is the basis on which these segments are determined. For Taygeta this is the consultancy activities segment and for Sterope the matching activities segment.

Because Alcyone NV (the "stock exchange listing"), as a legal entity, does not generate any revenue from its holding activities, these activities are not classified as a segment.

The Group's consolidated result before tax amounted to € 1,128 thousand. Total income before tax for the consultancy activities and matching activities segments amounted to € 1,641 thousand. The difference ad. € 513 thousand relates to the costs of the stock exchange listing.

The consultancy business segment includes the activities of Taygeta (Taygeta Holding BV and its group companies) and the type or type of clients for the services is mainly in the financial sector (banks, insurers and pension funds).

The matching activities segment includes the activities of Sterope (Sterope Holding B.V. and its group companies) and the type or type of customers for the services are mostly in the healthcare sector.

The information that the board uses to assess progress and make decisions is based on these segments. Each segment prepares a monthly financial report for the Executive Board and the Supervisory Board. The Board of Directors assesses the operating results for each segment on the basis of this report (performance monitoring). The financial reporting contains segment information related to the income statement and associated KPIs, the balance sheet and working capital. The annual budget (annual plan) and forecasts are also drawn up at the level of these segments.

The Group's main performance metric is EBITDA. In this report, the local management teams provide an explanation of the performance of their segment. The reporting is based on the same accounting principles as the financial information in the financial statements.

Amounts x € 1,000, number of staff in FTE

	2023			2022		
	Segment A	***Segment B***	***Total segments***	***Segment A***	***Segment B***	***Total segments***
Net sales	11,918	14,341	26,259	13,517	-	13,517
Cost of sales	8,497	2,535	11,032	9,556	-	9,556
Gross profit	***3,421***	***11,806***	***15,227***	***3,961***	***-***	***3,961***
Cost of sales	1,061	4,946	6,007	1,251	-	1,251
Impairment of goodwill	1,902	-	1,902	-	-	-
Impairment of current assets	-	125	125	-	-	-
General management costs	1,025	3,904	4,929	639	-	639
Result from business activities	***-567***	***2,831***	***2,264***	***2,071***	***-***	***2,071***
Net financing costs	-29	-595	-624	-19	-	-19
Result before profit taxes	***-596***	***2,236***	***1,640***	***2,052***	***-***	***2,052***
Impairment of goodwill	1,902	-	1,902	-	-	-
Depreciation and amortization	235	2,583	2,818	327	-	327
Net financing costs	29	595	624	19	-	19
EBITDA	***1,570***	***5,414***	***6,984***	***2,398***	***-***	***2,398***
Fixed assets	10,005	17,503	27,508	8,743	-	8,743
Current assets	4,425	5,822	10,247	8,759	-	8,759
Total assets	***14,430***	***23,325***	***37,755***	***17,502***	***-***	***17,502***
Total liabilities	***3,829***	***20,009***	***23,838***	***3,504***	***-***	***3,504***
Advisors	60	0	60	73	-	73
Management of operating companies	3	3	6	2	-	2
Sale	2	27	29	3	-	3
Support	3	41	44	4	-	4
Total permanent staff	***68***	***71***	***139***	***82***	***-***	***82***

Events after the balance sheet date

There were no events after the balance sheet date that are linked to the 1,908.

Separate statement of profit or loss 2023

x € 1.000

	Explanation	2023	2022
General management costs	*1*	517	523
Financial income	*2*	2	158
Result before profit taxes		**-515**	**-365**
Income taxes on results		145	111
Result of participation		271	1,530
Total result for the period		**-99**	**1,276**

Separate balance sheet as at 31 december 2023

(before profit appropriation)

x € 1.000

	Explanation	December 31, 2023		December 31, 2022	
Fixed assets					
Goodwill		9,313		0	
Financial fixed assets	3	9,280		7,500	
			18,593		7,500
Current assets					
Loan u/g	4	-		4,700	
Receivables from group companies	5	-		958	
Tax claims	6	116		-	
Other receivables	7	-		89	
Cash and cash equivalents	8	128		149	
Total current assets			244		5,896
Total assets			**18,837**		**13,396**
Equity					
Issued share capital	9	1,840		1,175	
Share premium	9	5,413		129	
Retained earnings	9	4,450		4,465	
Total equity			11,703		5,769
longterm obligations					
Tax debts	10		705		920
Current liabilities					
Tax debts	11	836		952	
Debts to group companies	12	5,360		5,554	
Remaining debts	13	233		201	
Total current liabilities			6,429		6,707
Total liabilities			7,134		7,627
Total Equity and Liabilities			**18,837**		**13,396**

Notes to the separate financial statements

General

Accounting policies for the preparation of the company financial statements

The company's company financial statements are prepared in accordance with the legal provisions of Article 9 of Book 2 of the Dutch Civil Code. In the company financial statements, we apply the accounting policies used in the consolidated financial statements. This includes the accounting policies for the presentation of financial instruments as equity or debt. The possibility to apply these principles is provided by Article 2:362(8) of the Dutch Civil Code.

The participating interests are measured at net asset value on the basis of the accounting principles for assets and liabilities as disclosed in the notes to the consolidated financial statements.

The company may use the option to eliminate expected credit losses on the carrying amount of loans and receivables of the company on associates instead of eliminating them on the carrying amount of the participating interests according to the net asset value.

The company financial statements are part of the 2023 financial statements of Alcyone NV.

Accounting policies

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. If no further accounting policies are specified, reference is made to the accounting policies stated in the consolidated financial statements. An overview of the accounting policies is included in the notes to the consolidated financial statements.

The share in the result of participating companies includes the Company's share in the results of these participations. Results on transactions in which transfers of assets and liabilities have taken place between the Company and its subsidiaries and between participating interests have not been recognised to the extent that they can be considered as unrealised.

Fiscal unity

Alcyone NV, together with its subsidiaries Taygeta Holding BV and Taygeta BV, forms a fiscal unity for the levying of corporate income tax and turnover tax. According to the standard terms and conditions, each of the companies is liable for the payment of tax of all companies involved in the fiscal unity.

Shareholdings in subsidiaries

Investments in subsidiaries are valued at net asset value. The same applies to other companies over which the company may exercise dominant control or over which it has central management. The net asset value is determined by valuing the assets, provisions and liabilities and calculating the result according to the accounting policies used in the consolidated financial statements.

Participating interests: treatment of losses

Does the share of losses attributable to the company exceed the carrying amount of the participation, including separately presented goodwill and other unsecured receivables? In that case, the further losses will no longer be recognised, unless the company has provided security for the benefit of the participation. Or if commitments have been entered into or payments have been made on behalf of the participation. In that case, a provision is made by the company for such liabilities.

Associates: treatment of unrealised income

Results on transactions between the company and the participating interests are eliminated in proportion to the company's interest in these participations. This applies insofar as these results have not been achieved through transactions with third parties. Losses are not eliminated if there is an impairment of an asset.

Financial instruments

Reference is made to what has been reported in this regard in the consolidated financial statements. With regard to intercompany receivables and payables, the fair value is equal to the carrying amount, so that no impairment has been recognised in the financial statements.

Notes to the separate profit and loss account

1. General management fees

The general administrative expenses include the remuneration to the members of the Executive Board and Supervisory Board, the costs of the stock exchange listing, legal and other advisory costs and the costs of the auditor.

2. Financial income

x € 1.000

	2023	2022
Interest loan outstanding	2	158
	2	**158**

This concerns the interest on a loan to Mirach NV. For further explanations, please refer to the notes to the consolidated balance sheet "Loan outstanding".

Financial instruments

The notes to the consolidated financial statements disclose the Group's exposure to credit risk, liquidity risk and market risk, the Group's objectives, policies and procedures for managing and measuring these risks, as well as the Group's capital management. These risks, objectives, policies and procedures of the management and measurement of these risks as well as capital management apply mutatis mutandis to the company financial statements of Alcyone N.V. In addition, further quantitative disclosures are included below. The company does not recognise any credit risk with respect to the receivable from group companies.

Off-balance-sheet assets and liabilities - Fiscal unity

For further explanations, please refer to the consolidated financial statements.

Remuneration of members of the Board of Directors

For a detailed overview, please refer to the consolidated financial statements.

Related Party Transactions

For further explanations, please refer to the consolidated financial statements.

Employees

During 2023, there were no employees (2022: nil).

Proposed processing of the result 2023

Alcyone's dividend policy is aimed at keeping sufficient available resources within the company, so that there is room for the execution of the growth strategy. The growth strategy primarily provides for investments to achieve organic growth.

In view of the underlying growth at Alcyone, it is proposed to increase the dividend from €0.05 to €0.06 per share. In view of the intended reduction of Alcyone's net debt position, the choice is offered to receive the dividend of € 0.06 – by means of an optional dividend – in shares. The ratio of the optional dividend is set at 1 new share to 19 existing shares. This proposal will be submitted to shareholders for approval at the General Meeting of Shareholders.

Fee ABC Accountants NV

x € 1.000

	2023	2022
Statutory audit current financial year	186	125
Additional work control last financial year	40	17
	226	**142**

As of the 2020 financial year, ABC Accountants NV acts as the auditor. A fee of €186,195 was agreed for the performance of the statutory audit of the 2023 financial statements, excluding out-of-pocket costs, outsourced work, 4.0% surcharge for IT and support and excluding VAT (2022: €122,350). An amount of €39,729 was paid and recognised in 2023 (2022: €17,500 for the audit of the 2021 financial statements) in respect of agreed additional work for the audit of the 2022 financial statements.

Notes to the separate balance sheet

3. Financial fixed assets

x € 1.000

	December 31, 2023	December 31, 2022
Taygeta Holding BV (100%)	6,585	7,500
Sterope Holding BV (80%)	2,695	-
	9,280	**7,500**

	2023	2022
Status as of January 1	7,500	5,970
Acquisition of Sterope Holding BV	1,509	-
Net result of participations	271	1,530
Status as of December 31	**9,280**	**7,500**

4. Borrowing

In June 2022, Mirach NV was granted a loan of € 5.6 million. This was repaid €0.9 million during 2022, so that the remaining receivable at year-end 2022 amounted to €4.7 million. The interest rate was 0.5% per month. In January 2023, the loan was set off in its entirety against the debt arising from the purchase of Sterope Holding.

5. Receivables from Group Companies

x € 1.000

	December 31, 2023	December 31, 2022
Taygeta BV	-	958
	-	**958**

6. Tax receivables

x € 1.000

	December 31, 2023	December 31, 2022
Corporate tax receivable	116	-
	116	**-**

7. Other receivables

x € 1.000

	December 31, 2023	December 31, 2022
Interest still to be received on loan u/g	0	71
Other receivables	0	18
	0	**89**

The maturity of the receivables is less than one year. The carrying amount is equal to the fair value.

8. Cash and cash equivalents

x € 1.000

	December 31, 2023	December 31, 2022
Bank balance	*128*	149
	128	149

These are freely absorbable substances.

9. Shareholders' equity

x € 1.000

	Issued capital	Share premium	Retained earnings	Equity attributable to shareholders
Status as of January 1, 2023	1,175	129	4,465	5,769
Issuance of shares	595	5,354	-	5,949
Change transaction under joint management	-	-	173	173
Dividend paid to shareholders	70	-70	-89	-89
Result for the period attributable to shareholders	-	-	-99	-99
Increase (decrease) in equity	665	5,284	-15	5,934
Status as of December 31, 2023	**1,840**	**5,413**	**4,450**	**11,703**

	Issued capital	Share premium	Retained earnings	Equity attributable to shareholders
Status as of January 1, 2022	1,175	129	3,776	5,080
Issuance of shares	-	-	-	-
Change transaction under joint management	-	-	-	-
Dividend paid to shareholders	-	-	-587	-587
Result for the period attributable to shareholders	-	-	1,276	1,276
Increase (decrease) in equity	**-**	**-**	**689**	**689**
Status as of December 31, 2022	**1,175**	**129**	**4,465**	**5,769**

The transaction under common management relates to the acquisition of Sterope Holding BV. On 5 January 2023, Alcyone NV acquired a majority stake of 60% in Sterope Holding BV through the acquisition of the stake of major shareholder Mirach NV. This transaction qualifies as a transaction under common control (TUCC). The structuring of the transaction is based on the price at which Mirach NV acquired the interest in Sterope Holding BV. The financial processing within Alcyone NV takes place on the basis of "carry over accounting". The transaction created goodwill amounting to € 9,313 thousand and the negative difference of € 258 thousand between the goodwill and the initial goodwill from the acquisition of Mirach was recognised directly in equity. On 14 April 2023, the stake in Sterope Holding BV increased from 60% to 80% as a result of a set-off clause. On the basis of "carry over accounting", no new goodwill will be created within Alcyone. The (positive) dilution result of € 431 thousand is recognised directly in equity. The total direct change in equity amounted to € 173 thousand.

10. Tax debts (non-current)

x € 1.000

	2023	2022
Status as of January 1	968	968
Financial year repayment	-53	-
Status as of December 31	915	968
Repayment obligation next financial year	-210	-48
Long-term portion as of December 31	**705**	**920**

In 2021, due to the outbreak of the pandemic, the Tax and Customs Administration granted Urbani, Extraordinary Deferral for VAT for an amount of more than € 968 thousand. From 1 October 2023, this will be repaid over a maximum of 5 years. The current portion of € 210 thousand is included in current liabilities.

11. Tax debts (short-term)

x € 1.000

	December 31, 2023	December 31, 2022
Sales tax	836	753
Corporation tax	-	199
	836	**952**

12. Amounts owed to group companies

x € 1.000

	December 31, 2023	December 31, 2022
Taygeta Holding BV	5,360	5,554
	5,360	**5,554**

No collateral has been provided for the debts to group companies and no interest is charged.

13. Other payables

x € 1.000

	December 31, 2023	December 31, 2022
Accounts payable	12	83
Remaining debts	221	118
	233	**201**

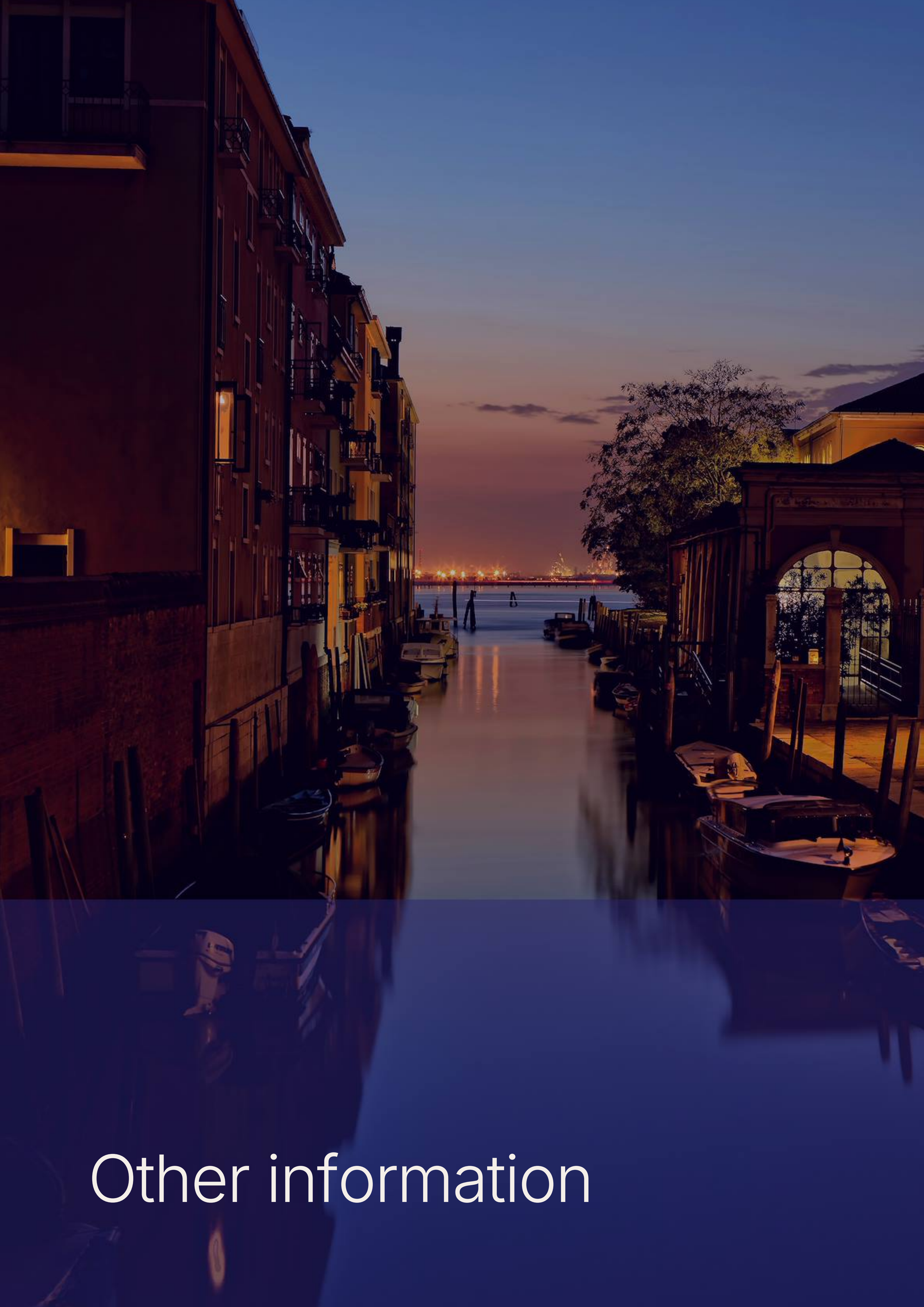
Events after the balance sheet date

General

For an explanation of the events after the balance sheet date, please refer to the consolidated financial statements, paragraph "events after the balance sheet date".

Amsterdam, 26 April 2024

- Supervisory Board: David Gilmour and Joni Mitchell
- Board of Directors: Peter Banks and Eddie Van Halen



Other information

Provisions in the articles of association regarding the appropriation of profits

Article 23 of the Articles of Association of Alcyone N.V. stipulates the following with regard to the appropriation of profits:

Appropriation of profits and distributions

Article 23

23.1 The profit as shown in the approved financial statements shall first of all be taken into account, insofar as applicable:

- constitute the reserves required by law to be held;
- cleared the losses from previous years not yet covered, and;
- reserves deemed necessary by the Board.

23.2 After application of the provisions of Article 23.1, a dividend equal to a percentage of six percent (6%) shall be paid on each C share plus the amount of the premium paid in respect of the first C share issued. Such a distribution by the company is possible only to the extent that its own funds exceed the amount of the paid-up and called part of the capital, plus the reserves which must be held by law or the articles of association.

23.3 If and to the extent that the profit as shown in the adopted financial statements is not sufficient to make the full distribution referred to in Article 23.2, the shortfall will be distributed, after application of Article 23.1:

- charged to the profit of the next financial year or the following financial years for which the profit is sufficient for such distribution, and;
- charged to the company's reserves, to the extent permitted by law.

For the purposes of applying the provisions of this paragraph, the holders of C shares shall be treated equally in proportion to the amount paid up per C share.

23.4 If the issue of C shares takes place during the course of a financial year, the dividend on the C shares in question will be reduced pro rata to the first day of issue for that financial year.

23.5 From the remaining profit after application of the previous paragraphs, the holders of A and B shares shall be distributed such an amount per A share or B share as the remaining profit, minus the aforementioned distributions and any reservations to be determined by the general meeting, allows, on the understanding that no further dividend payment will be made on the C shares

23.6 Without prejudice to the provisions of Articles 9.3 and 23.3, only the holders of A and B shares are entitled to distributions made from reserves formed on the basis of the provisions of Article 23.5

23.7 Without prejudice to the provisions of Articles 23.6 and 24, the General Meeting may only dispose of the company's reserves on a proposal from the Executive Board that has been approved by the Supervisory Board.

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Alcyone NV.

Report on the 2023 financial statements included in the annual report

Our opinion

In our opinion:

- the consolidated financial statements included in this annual report give a true and fair view of the financial position and composition of Alcyone NV's assets as at 31 December 2023 and of the result and cash flows for 2023, in accordance with International Financial Reporting Standards as adopted within the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code (BW).
- the company financial statements included in this annual report give a true and fair view of the financial position of Alcyone NV as at 31 December 2023 and of the result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we checked

We have audited the 2023 financial statements of Alcyone NV (the company) in Amsterdam. The financial statements include the consolidated and company financial statements.

The consolidated financial statements consist of:

1. the consolidated balance sheet as at 31 December 2023;
2. the following consolidated statements for 2023: the income statement, the statement of changes in equity and the statement of cash flows; and
3. the notes with an overview of the significant accounting policies and other explanatory notes.

The company financial statements consist of:

1. the separate balance sheet as at 31 December 2023;
2. the separate income statement for 2023; and
3. the notes with an overview of the accounting policies used and other explanatory notes.

The basis for our judgement

We conducted our audit in accordance with Dutch law, which also includes Dutch auditing standards. Our responsibilities in this respect are described in the section 'Our responsibilities for the audit of the financial statements'.

We are independent of Alcyone NV as required by the Regulation on the Independence of Auditors in Assurance Engagements (ViO) and other relevant independence rules in the Netherlands. Furthermore, we have complied with the Regulation on the Code of Conduct and Professional Rules for Accountants (VGBA).

We determined our audit procedures in the context of the audit as a whole. Our findings regarding continuity, fraud and non-compliance with laws and regulations, climate and the key matters of our audit should be viewed in that context and not as separate opinions or conclusions.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinion.

Information to support our opinion

Summary

Materiality

- Materiality of € 250,000
- 1.0% of turnover

Group control

- Audit coverage of 99% of total assets
- Audit coverage of 97% of turnover

Risks related to Fraud & Noclar, Continuity and Climate

- Risks related to fraud and non-compliance with legislation and regulations (Noclar): assumed risk of breach of internal control by management and a fraud risk with regard to revenue recognition identified.
- Risks related to continuity: no continuity risks identified.
- Risks related to climate: We have evaluated the impact on the financial statements of climate-related risks and set out our approach and observations in the section 'Audit approach to climate-related risks'.

Key points

- Valuation of goodwill
- Revenue recognition
- Acquisition of Sterope Holding BV

Judgement

Approving

Materiality

Based on our professional judgment, we have determined the materiality for the financial statements as a whole at €250,000 (2022: €135,000). The materiality is determined on the basis of turnover (1%). The materiality for the financial statements has changed significantly compared to last year as a result of the acquisition of Sterope Holding B.V. and the related increase in revenue in 2023. We consider revenue to be the most appropriate benchmark, as we expect the main users of the financial statements to focus on revenue growth in line with the company's strategy. We also take into account misstatements and/or potential misstatements that we believe to be material for the users of the financial statements for qualitative reasons.

We have agreed with the Supervisory Board that we will report to them any deviations in excess of €12,000 found during our audit, as well as minor misstatements that we believe are relevant for qualitative reasons.

Scope of the group audit

Alcyone N.V. is the head of a group of entities (group components). The financial information of this group is included in the financial statements of Alcyone N.V.

The group audit focused in particular on the significant entities, i.e. Taygeta B.V. and Sterope Holding B.V. We used other auditors in the audit of Sterope Holding B.V. We performed specific audit procedures for other entities.

As a result of the above-mentioned procedures at group components, combined with additional procedures at group level, we have obtained sufficient and appropriate audit evidence in relation to the group's financial information to express an opinion on the financial statements. This results in group-based coverage of 99% of total assets and 97% of revenue.

Audit approach to the risk of fraud and non-compliance with laws and regulations

In the Report of the Executive Board ('Integrity and compliance with laws and regulations' and 'Risks'), the Executive Board describes the procedures with regard to the risks of fraud and non-compliance with laws and regulations, and in the Report of the Supervisory Board, the Supervisory Board takes this description into consideration.

As part of our audit, we gained insight into the company and its business environment, and assessed the design and implementation of the company's risk management with respect to fraud and non-compliance. Our work includes reviewing the Company's Code of Conduct, Whistleblower Policy, Insider Rules and procedures to investigate indications of potential fraud and non-compliance with laws and regulations. In addition, we have sought information on this matter from the administration and those responsible for governance. Among other things, we carried out the following audit procedures:

- understand how the company uses information technology (IT) and its impact on the financial statements, including the risk of cybersecurity incidents that have a material effect on the financial statements;
- evaluation of ancillary positions of board members and/or other employees, with a special focus on procedures and governance with regard to potential conflicts of interest;
- evaluating correspondence with regulatory and supervisory bodies, including the AFM, and statements by lawyers on behalf of accountants.

In addition, we have performed procedures to understand the laws and regulations applicable to the company and have identified the following jurisdictions that could be the most likely cause of a material effect on the financial statements:

- General Data Protection Regulation (GDPR);
- laws and regulations related to the stock exchange listing.

We, together with our forensic specialists, have evaluated the risk factors for fraud and non-compliance with laws and regulations to determine whether these factors indicate a risk of material misstatement.

In accordance with the above and with the Auditing Standards, we have identified the following fraud risks that are relevant to our audit, including the relevant assumed risks identified in the Auditing Standards, and have responded as follows:

Breach of internal control by management (a presumed risk)

Risk:

- Management is in a unique position to commit fraud by having the ability to manipulate the financial reporting process and results by breaching internal controls that otherwise appear to be working effectively, such as estimates related to goodwill.

Audit approach:

- We have evaluated the design and implementation of controls relevant to mitigating the risks of fraud and non-compliance with laws and regulations, such as identifying work related to journal entries and significant management estimates.
- We have evaluated management's judgments and assumptions, including conducting a retrospective review of management's goodwill judgments and assumptions included in the prior financial year's financial statements.
- We performed a data analysis on journal entries with a higher risk related to turnover. Where we identified unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk. This work also includes tracing transactions back to the source information.
- We have incorporated elements of unpredictability into our audit approach, including making a reconciliation between entries in the bank book in the financial records and a download of the transactions from the bank's source system

Revenue recognition (an assumed risk)

Risk:

- With regard to the existence of turnover.

Audit approach:

- In addition to the activities mentioned above, we also refer to the key point 'Revenue recognition'.

Our evaluation of procedures in place with regard to fraud and non-compliance with laws and regulations did not lead to another key audit concern.

We have communicated our risk assessment and control approach and results to the Executive Board and the Supervisory Board.

Our audit procedures did not reveal indications and/or other reasonable suspicions of fraud and non-compliance with laws or regulations that are material to our audit.

Continuity audit approach

The Board conducted its due diligence assessment and did not identify any continuity risks. Our procedures to assess the board's going concern review include, but are not limited to:

- consider whether the board's going concern risk analysis contains all relevant information of which we have knowledge as a result of the audit;
- questioning the board about the most important assumptions and assumptions in the continuity risk analysis;
- analysis of the financial position at the end of the financial year and in relation to the previous financial year on indicators that may indicate continuity risks;
- analysing the budgeted operating results and related cash flows compared to the past financial year, developments in the industry and our audit knowledge;
- inspection of the financing agreement on terms that could lead to continuity risks, including the term and any covenants;
- analyse whether the margin in the ratios included in the financing agreement is sufficient and does not give rise to a risk of breach of covenants in this agreement;
- evaluate the adequate representation of the management board's continuity assessment as shown on page 10 of the Board of Directors' Report.

The results of our risk assessment procedures did not warrant any additional audit procedures on the going concern assessment.

Audit approach to climate-related risks

In the Risks section of the Executive Board's Report, the Board describes its assessment of climate-related risks and its ambitions in this regard. Taking into account the activities and size of the company, the Board has conducted a high-level analysis of the long-term impact of climate-related risks on the company's activities and business operations and on the financial reporting in the financial statements for the current financial year. The Board concluded that the impact of climate-related risks does not have a material impact on the items and disclosures, including opinions and estimates in the financial statements, which is disclosed in the financial statements in the Risks section (section Environment and climate risks).

The Board of Directors is responsible for preparing the financial statements in accordance with the applicable accounting framework, including an assessment of whether the impacts of climate-related risks have been appropriately accounted for and explained. As part of our audit, we evaluated the impact of climate-related risks on the financial statements and our audit approach in our risk analysis. Our activities include obtaining information from the Board of Directors and the Supervisory Board about the company's evaluation and strategy with regard to climate-related risks and reviewing the management's analysis.

Based on our procedures as explained above, we did not identify any climate-related risks with a material impact on the financial statements for the current financial year and did not result in a key audit matter.

In addition, we have reviewed the other information included in the annual report relating to climate-related risks and considered whether there is a material inconsistency between the other information and the financial statements for the current financial year and the knowledge gained during the audit.

Key audit matters

In the key audit matters, we describe matters that in our professional judgment were most important during our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board, but they do not fully reflect everything that was discussed.

Compared to last year, the key item related to related party transactions is not included because it is specifically related to the 2022 financial statements. For this year, the transactions with related parties mainly concern the acquisition of Sterope Holding B.V. The acquisition of Sterope Holding B.V. has been added as a new key point.

Valuation of goodwill

Definition

Goodwill has arisen as a result of the acquisition by Alcyone N.V. of Sadalbari Services B.V. on 1 January 2017 and the acquisition of Sterope Holding B.V. on 5 January 2023. In line with IFRS, goodwill is tested annually for impairments. In this test, assumptions and estimates are made, for example with regard to future cash flows and discount rates. There is a risk of incorrect assumptions resulting in incorrect valuation of goodwill or incomplete disclosures regarding the safety margin and sensitivity analysis. Based on the results of the goodwill impairment test, in 2023 the Board recorded an impairment for the goodwill arising from the acquisition of Sadalbari Services B.V. and no impairment for the goodwill arising from the acquisition of Sterope Holding B.V. (note 8 of the Notes to the consolidated balance sheet). The carrying amount of the goodwill related to Sterope Holding B.V. as at 31 December 2023 amounts to € 9,313,000. The goodwill related to Sadalbari Services B.V. has been fully written off as at 31 December 2023.

Our approach

We have evaluated the reasonableness of the identified cash-generating units (CGU) and cash flow forecasts, which are included in the annual goodwill impairment test, against budgets and long-term plans approved by the Supervisory Board. We also evaluated the reasonableness of applied assumptions by comparing them with external and market growth data, and by analyzing the sensitivities in the valuation model.

We have included a valuation expert in our audit team who has assisted us in the audit of the assumptions used by Alcyone N.V., in particular the terminal value growth rate, the pre-tax discount rates, the valuation methodology and the valuation model.

Finally, we evaluated the adequacy of the company's disclosures.

Our observation

Based on our work, we believe that the board's assumptions are reasonable and we agree with the outcome of the impairment test. The Executive Board's notes in note 8 of the financial statements are adequate.

Revenue recognition

Definition

We have paid specific attention to revenue recognition in our audit approach. For Alcyone N.V., we have specifically linked the risk to the demarcation of the turnover on the basis of a recognised fraud risk of accuracy (existence) of the turnover (note 1 of the Notes to the consolidated profit and loss account).

Our approach

We investigated the design and existence of relevant control measures within the sales process. Furthermore, we focused on the delineation of sales transactions around the balance sheet date with possible influence on management, in order to determine that turnover is recognised in the correct period.

In addition, partly on the basis of our regular activities, a sample was drawn on the turnover, in which the connection was made to source documentation such as invoices, contracts, time registrations and bank statements and for which accountability was determined in the correct period. Finally, we established a link between the hours accounted for at the applicable rates and the turnover actually recognized, determined the correct processing of credit notes after the end of the financial year, and evaluated the company's explanations.

Our observation

The results of our revenue recognition procedures (note 1 of the consolidated income statement note) were satisfactory and did not result in audit findings.

Acquisition of Sterope Holding B.V.

Definition

On 5 January 2023, Alcyone N.V. acquired a majority stake of 60% in Sterope Holding BV by acquiring the stake of major shareholder Mirach N.V., which had acquired this stake itself on 15 June 2022. As Mirach N.V. is a major shareholder of Alcyone N.V., this acquisition is a transaction under joint management. The purchase took place at the same price at which Mirach N.V. itself acquired the shares. The loan provided by Alcyone N.V. to Mirach N.V. in June 2022 in the amount of an initial € 5,600,000 was settled on 5 January for the remaining book value of € 4,700,000 as part of the share transfer.

As a result of a purchase price correction with the former owners included in the sale agreement of Sterope Holding B.V., the shareholding has been increased to 80% as of April 2024.

Our approach

We performed procedures on the purchase price allocation determined in accordance with IFRS 3 Business Combinations. As part of our work, we entered into the purchase agreement on 5 January 2023 related to the acquisition of the shareholding in Sterope Holding B.V. and reviewed other documents related to the transaction. In doing so, we also assessed whether there was a jointly managed transaction and assessed the market conformity of the transaction.

We also assessed the allocation of the acquisition price to the identified assets and liabilities of the acquired company and the goodwill paid. To this end, we have included a valuation expert in our audit team who has assisted us in auditing the assumptions used by Alcyone N.V. in this regard, in particular the cash flow forecasts, the discount rates, the valuation methodology and the valuation model.

Finally, we evaluated the adequacy of the company's disclosures.

Our observation

The results of our procedures with respect to the related party transactions were satisfactory and did not result in audit findings related to the recognition or disclosure of these events in the financial statements.

Statement on the other information included in the annual report

In addition to the financial statements and our auditor's report, the annual report includes other information. On the basis of the work below, we are of the opinion that the other information:

- is consistent with the annual accounts and is free from material misstatements;
- contains all the information required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information and, based on our knowledge and understanding, obtained from the audit or otherwise, have considered whether the other information contains material misstatements.

With our work, we have met the requirements of Title 9 Book 2 of the Dutch Civil Code and the Dutch Standard 720. These procedures have a lesser depth than our audit procedures on the financial statements.

The board is responsible for preparing the other information, including the information required under Title 9 of Book 2 of the Dutch Civil Code.

Statement on other legal or regulatory requirements and ESEF

Appointment

We were appointed by the General Meeting of Shareholders on 29 October 2020 as auditor of Alcyone NV for the audit of the 2019 financial year and have been the external auditor since that financial year.

No Prohibited Services

We have not provided any prohibited services within the meaning of Article 5(1) of the European Regulation on specific requirements for statutory audit of Public Interest Entities.

European Single Electronic Format (ESEF)

Alcyone N.V. has prepared its annual report in ESEF. The requirements for this are laid down in the Delegated Regulation (EU) 2019/815 on regulatory technical standards for the specification of a uniform electronic reporting format (hereinafter: the RTS for ESEF).

In our opinion, the annual report prepared in XHTML format, including the (partially) marked consolidated financial statements as included by Alcyone N.V. in the reporting set, complies in all material respects with the RTS for ESEF.

The Board is responsible for preparing the annual report including the financial statements in accordance with the RTS for ESEF, with the Board merging the various components into a single set of reports.

It is our responsibility to obtain reasonable assurance for our opinion that the annual report in this reporting set complies with the RTS for ESEF. We conducted our investigation in accordance with Dutch law, including the Dutch Standard 3950N 'Assurance engagements regarding the fulfilment of the criteria for the preparation of a digital accountability document'. Our research included:

- gaining insight into the entity's financial reporting process, including the preparation of the reporting set;
- identifying and assessing the risks that the annual report may not comply with the RTS for ESEF in all material respects and determining and performing further assurance procedures in response to these risks as a basis for our opinion, including:
- obtaining the reporting set and performing validations to determine whether the report set containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS for ESEF;
- examining the information related to the consolidated financial statements in the reporting set to determine whether all required markings have been applied and whether they are in accordance with the RTS for ESEF.

Description of responsibilities in relation to the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. In this context, the Board of Directors is responsible for such internal control as the Board of Directors deems necessary to enable the preparation of the financial statements free from material misstatement as a result of error or fraud. In addition, the Executive Board, under the supervision of the Supervisory Board, is responsible for preventing and detecting fraud and non-compliance with laws and regulations and for taking measures to undo the consequences, as far as possible, and to prevent recurrence.

When drawing up the financial statements, the board of directors must consider whether the company is able to continue its activities as a going concern. Under the aforementioned accounting frameworks, the management board must prepare the financial statements on the basis of the going concern assumption, unless the management board intends to liquidate the company or to cease operations or if termination is the only realistic alternative. The board of directors must disclose events and circumstances that could raise reasonable doubt as to whether the company can continue its business activities as a going concern in the financial statements.

The Supervisory Board is responsible for supervising the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and execute an audit engagement in such a way that we obtain sufficient and appropriate audit evidence for the opinion we are required to issue.

Our audit was conducted with a high degree of assurance, but not absolute assurance, which means that we may not detect all material errors and fraud during our audit.

Misstatements may arise as a result of fraud or error and are material if they can reasonably be expected to affect, individually or in the aggregate, the economic decisions made by users on the basis of these financial statements. Materiality affects the nature, timing and scope of our audit procedures and the evaluation of the impact of identified misstatements on our opinion.

A further description of our responsibilities with regard to an audit of the financial statements can be found on the website of the Royal Netherlands Institute of Chartered Accountants (NBA) at: nl_oob_01.pdf (nba.nl) / nl_beursgenoteerd_01.pdf (nba.nl). This description is part of our auditor's report.

Utrecht, 26 april 2024
ABC Accountants N.V.

Robert Quine RA

Colofon

Name of the reporting entity or other form of identification	Alcyone
Domicile of the entity	Amsterdam, The Netherlands
Legal form of the entity	Public enterprise
Country of incorporation	The Netherlands
Address of the entity's registered office	Plejadenplein 102, 1033 VL Amsterdam
Headquarters	Amsterdam
Description of the nature of the entity's activities and its main activities	Alcyone focuses entirely on advice and professional services in specific sectors.

ALCYONE

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1033 VL Amsterdam