

Highlights

Despite going through yet another challenging year for everyone the OW2 Management Office has been hard at work to move OW2 forward. The main achievements for 2022 include:

- Successfully onboarding both a new CEO (Pierre-Yves Gibello) and a new Sysadmin (Alban Espié Guillon).
- Pushing the OW2 Market Readiness Levels (MRL) open source project assessment ahead, with the support of DINUM French Digital Government agency (5 kEUR grant).
- Going forward with OSPO Alliance to promote the Good Governance Initiative (GGi) : OW2 edits the Good Governance Handbook paperback version (available on global online bookstores, in 3 languages: English, French and German), participates in OSPO Alliance Communication task force, and promotes GGi at events, including OW2Con and OSXP. We also are in close contact with OSPO++, a US-based governance initiative focused on public sector.
- OW2 is moving toward more political influence: in France, we are part of Frenh gov.'s DINUM "Free software council", and COSO (Open science Committee) software working group. In Europe, we get involved in NGI (New Generation Internet) initiatives from the EC, and should work closely with Dutch NLNet foundation in 2023.

Also, OW2 is moving toward a more "social economy" oriented vision: we synthesized and published a very remarked report in France, to assess that installability of OSS software is key for devices durability - on request from the French administration. The report was relayed in the press and helps the administration to advocate for a "durability index" stucked on hardware equipments (taking into account OSS installability as positive).

Membership

- We signed two new corporate members in 2022 compared to four in 2021, zero in 2020, and six in 2019. After an all-time low with 21 members in 2018 our membership is now comprised of 26 paying members at the beginning of 2023 (Fig. 1 and 2). A new member also joined us in early 2023. All are SMEs.
- OW2's membership is still essentially comprised of SMEs and corporate membership is characterized by a medium turnover. We are slowly making progress in recruiting large organisations in the wake after the COVID pandemic. Concerning individual members, their total number remains stable (2627, after 2650 in 2021). Also note a recent individual member (Mirko Presser) joined the Board of Directors in 2023.

Activities

- New projects: The Technology Council accepted two new projects in 2022, after the abrupt halt of 2021 (one project accepted), compared to six new projects in 2020, and five in 2019. However we are still confirming our focus on open source software for information systems with over twenty mature project with sizable adoption.
- Collaborative projects: The year was dedicated to completing the Fasten project for which 2022 was the last year (after a six month extension), and starting the new NGI Search cascade-funding (FSTP = Financial Support to Third Parties) project. At the time of writing this report we had also two Horizon Europe proposals rejected (NGI Architects and Provisioner), and one in progress to be submitted end of March.
- Initiatives: Currently active initiatives include the OSS Good Governance initiative (GGi) and the QuickApp initiative. GGI is now mainly supported in the frame of the OSPO Alliance with the Eclipse Foundation to promote it. We are now actively looking for early users to test and help us improve the methodology. Steered by Huawei, OW2 QuickApp initiative is keeping a good pace towards becoming the reference implementation of W3C MiniApp standard. The other initiatives are considered idle and now archived.
- Market Readiness Levels: An innovation in the world of open source software, we have successfully applied the methodology to our mature projects and published the results as planned and announced last year. The french Government Digital Agency "DINUM" is in the process of deploying MRL, and provided a 5kEUR to OW2 so we support them on that process.

Communication

- We maintain OW2's websites and those of several collaborative projects as well as their private wikis. We are present on LinkedIn, Twitter, SlideShare and YouTube where the OW2 channel publishes videos of our project presentations and events.

- 2022 has been another challenging year for open source events, although events progressively go back to real life. Many were cancelled or went online which limited possibilities to run a booth: In 2022, we had to renew OW2con online, but could successfully organize a face-to-face community event for OW2 15 years anniversary, after running a booth at Cloud+Datacenter event in Paris. We organized an online DevRoom and booth at FOSDEM, attended OSXP, and were represented at SF5con by our Italian Associate Organization RIOS.

Organization:

- Technical Infrastructure: We are proud of our technical infrastructure that is both fully open source and independent. We managed to keep the infrastructure up to date and secure with our monthly updates and our careful monitoring of security alerts. We upgraded XWiki to version 13.10 and are in the process of catching up toward the latest release (should be finalized in 2023, release 15 or higher).
- Management Office (MO): A significant organisational evolution was triggered with the recruitment of a new SysAdmin and a new CEO who started in April 2022. The transition between the two CEOs is now considered done. All in all, like in 2021, the impact of the pandemic on our processes has been limited and we are proud to have been able to deliver OW2con again as a virtual event - hopefully for the last time!
- Technology Council (TC): The activity of the TC in 2022 included evaluating a couple of projects, collecting project leaders feedback on MRL, helping on MRL diffusion. But we consider the TC activity too low, and are investigating ways to revamp it (community meetings on technical subjects? regular meetings every 3 months?)

Conclusion and outlook

2022 was another challenging year because of the pandemic, although the 2nd half prefigured a return to normal operation. However the OW2 Management Office successfully delivered a number of key results: editing the OW2 OSS Good Governance initiative handbook in three languages, advocating MRL at the French Gov. Digital Agency for public OSS projects, promoting the QuickApp initiative, organising OW2con as a virtual event but coming back to real life with our 15 years anniversary ceremony and OSXP, recruiting two new members, successfully completing one collaborative projects and starting a new one, and gaining political and influential momentum. We have no Horizon Europe proposal in progress, but promising ones starting in 2023. On the down side, our participation in industry and open source events has been significantly reduced and effort are still needed to drive the Technology Council activity.

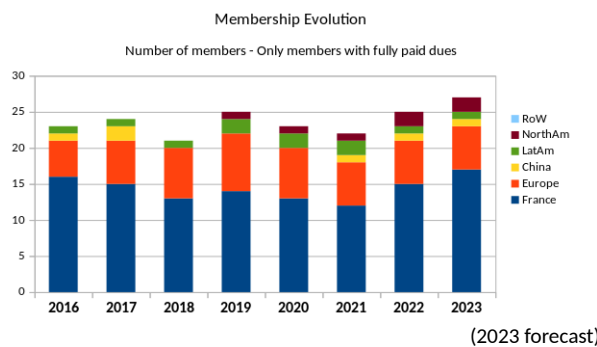


Fig 1: Corporate Members By Geography

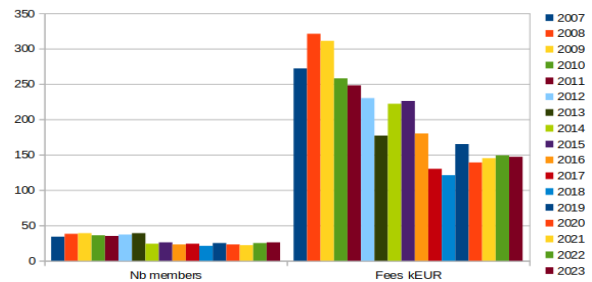


Fig 2: Corporate Membership Numbers and Revenue

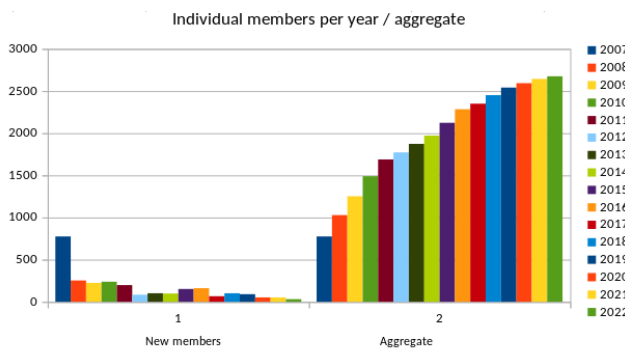
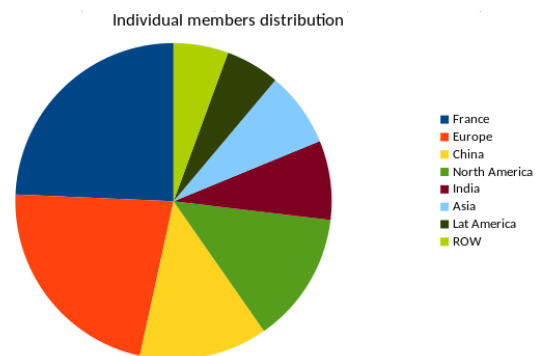


Fig 3: Individual Members Growth and Geography since 2015



FINANCIAL REPORT

The following tables set forth, in a US GAAP-like presentation, selected financial data for OW2 for the last five years. The data is still unaudited. Definitive results will be available in the *Comptes Annuels de l'Exercice Clos le 31/12/2022*, established in compliance with French law by our bookkeeping firm.

Note (April 10th, 2023): this report includes a provision of 6,600 EUR for accounts auditing. As the General Assembly validated the revocation of our Auditor of Account (as voted by the Board on March 16th, 2023), both the Result and Total Equity presented herein should be increased by 6,600 EUR. This has no significant impact on the overall financial situation, and the accounting has been since duly updated by our accounting firm.

2022 ANALYSIS

While the pandemic continued to have a negative impact on our ability to grow our business, a drastic reduction in the pace of collaborative projects also impacted our results. The important reduction in expenditure, due to lower salaries and benefits (-116 kEUR), combined with our cost containment efforts, contribute to our ability to keep operations going despite a significant loss. Salaries and benefits are still expected to decrease in 2023, the main reason being a dramatic decrease of the CEO's salary (-150 kEUR expected/year in average, as a whole).

Revenue

For the year ended December 31, 2022, total revenue shows a strong decline of -64% to €273,274 compared to a sharp increase of 43% to €759,487 in 2021. Membership fees increased by 8% while recognized revenue from collaborative projects representing 30% of total income decreased sharply by 86%. Sponsoring revenue becomes significant at 12% of total revenue.

Expenses

Total expenses for the year ended December 31, 2022, had a sharp 21% decrease at €464,902 compared to a 3% increase to €592,786 the year before. Salaries and benefits decreased radically, however they represent 138% of total revenue compared to 69% in 2021, because of the particularly low revenue registered in 2022. Thanks to strict control in travel and event costs, operating expenses decreased by 26%, just below but close to their level in 2020, after an increase of 35% in 2021.

Net result

Our net result for the year ended December 31, 2022 significantly negative at -€191,628 compared to a positive result at €166,701 or 22% of total revenues the year before. This negative result is essentially attributable to a very strong decrease of collaborative projects revenue, despite our cost control efforts.

Cash and cash equivalent and Equity

The evolution of the cash and cash equivalent situation reflects an important cash advance received for the new NGI Search collaborative project. The cash situation stands at €179,084 on December 31, 2022 compared to €228,599 on December 31, 2021. Due the negative result our net equity dropped down 67% to €93,292 compared to €284,923 the year before (after a +76% jump the year before!).

Conclusion and Outlook

Our cash position at the end of 2022 is good enough to carry our operations during the first part of the year until full membership settlement and final payments from completed collaborative projects guaranty OW2's operations throughout 2023. However, our results are still highly influenced by collaborative projects and, as during the previous years, the limited number of strategic members remains a concern going forward, making us continuously dependent on collaborative projects and the ups and downs of their cycles.

In 2023, if the international environment does not deteriorate we can hope to boost member recruitment thanks to the Market Readiness Methodology and the Good Governance initiative, and also a more cooperative and social economy firmly positioning: the central theme of OW2con'23 is "Open Source Software and Digital Commons" and the thematics seems really attractive, with very high level keynoters (a French MP, the OSS ambassador from a major European company, and a EU programme officer from the NGI Horizon FSTP funding scheme) and talk proposals.

OW2 BALANCE SHEET 2018-2022

(in euros)

| | 2022 | 2021 | 2020 | 2019 | 2018 | %22 | %21 | %20 | %19 | %18 |
|-------------------------------------|------------------|------------------|------------------|--------------------|------------------|-------------|-------------|-------------|-------------|-------------|
| ASSETS | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Account receivable | 162 942 € | 166 746 € | 310 137 € | 397 941 € | 167 070 € | 48% | 42% | 33% | 33% | 30% |
| Accrued income | € | € | € | € | € | | | | | |
| VAT collectable | € | € | € | € | € | | | | | |
| Cash and cash equivalent | 179 084 € | 228 599 € | 618 478 € | 809 416 € | 393 591 € | 52% | 58% | 67% | 67% | 70% |
| Prepaid expenses | € | € | € | € | 103 € | 0% | 0% | 0% | 0% | 0% |
| Total current Assets | 342 026 € | 395 345 € | 928 615 € | 1 207 357 € | 560 765 € | 100% | 100% | 100% | 100% | 100% |
| Tangible Assets | | | | | | | | | | |
| Office Equipment (net value) | 320 € | 793 € | 271 € | 1 588 € | 1 521 € | 0% | 0% | 0% | 0% | 0% |
| Total tangible Assets | 320 € | 793 € | 271 € | 1 588 € | 1 521 € | 0% | 0% | 0% | 0% | 0% |
| Total Assets | 342 346 € | 396 138 € | 928 887 € | 1 208 945 € | 562 286 € | 100% | 100% | 100% | 100% | 100% |
| LIABILITIES | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Accounts payable | 10 732 € | 32 570 € | 13 039 € | 13 344 € | 4 740 € | 3% | 8% | 1% | 1% | 1% |
| Other debts and equivalents | 197 344 € | 17 € | 123 011 € | 21 552 € | 21 552 € | | | | | |
| Taxes and Benefits (social charges) | 40 978 € | 44 799 € | 47 736 € | 45 264 € | 50 823 € | 12% | 11% | 5% | 4% | 9% |
| Deferred income | € | 33 829 € | 562 537 € | 898 393 € | 266 786 € | 0% | 9% | 61% | 74% | 47% |
| Total current Liabilities | 249 054 € | 111 215 € | 746 322 € | 978 553 € | 343 901 € | 73% | 28% | 80% | 81% | 61% |
| Equity | | | | | | | | | | |
| Retained earning | 284 923 € | 182 564 € | 230 391 € | 218 385 € | 361 793 € | 83% | 46% | 25% | 18% | 64% |
| Result for the current year | -191 631 € | 102 359 € | -47 827 € | 12 006 € | -143 408 € | -56% | 26% | -5% | 1% | -26% |
| Total Equity | 93 292 € | 284 923 € | 182 564 € | 230 391 € | 218 385 € | 27% | 72% | 20% | 19% | 39% |
| Total Liabilities | 342 346 € | 396 138 € | 928 886 € | 1 208 945 € | 562 286 € | 100% | 100% | 100% | 100% | 100% |

OW2 STATEMENT OF OPERATIONS 2018-2022

(in euros)

| REVENUE | 2022 | 2021 | 2020 | 2019 | 2018 | 22/21 | 21/20 | 20/19 | 19/18 | %22 | %21 | %20 | %19 | %18 |
|---|-------------------|------------------|------------------|------------------|-------------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Membership subscriptions (Call for dues) | 157 283 € | 145 898 € | 138 100 € | 165 300 € | 121 800 € | 8% | 6% | -16% | 36% | 58% | 19% | 26% | 25% | 30% |
| Subsidies | 82 769 € | 593 091 € | 377 042 € | 475 343 € | 277 405 € | -86% | 57% | -21% | 71% | 30% | 78% | 71% | 72% | 68% |
| Sponsoring Confs, Progr. Contest, etc. | 32 000 € | 20 000 € | 12 000 € | 13 686 € | 7 000 € | 60% | 67% | -12% | 96% | 12% | 3% | 2% | 2% | 2% |
| Reversal of provision | € | € | 298 € | 372 € | € | - | -100% | -20% | - | % | % | % | % | % |
| Financial interest | 1 131 € | 481 € | 642 € | 1 421 € | 1 922 € | 135% | -25% | -55% | -26% | % | % | % | % | % |
| Miscellaneous | € | 17 € | 862 € | 31 € | 43 € | -100% | -98% | 2725% | -29% | % | % | % | % | % |
| Gain on currency exchange | € | € | € | € | € | - | - | - | - | % | % | % | % | % |
| Exceptionnal result | € | € | € | € | € | - | - | - | - | % | % | % | % | % |
| | 91 € | € | € | € | € | € | € | € | € | € | € | € | € | € |
| Total Revenue | 273 274 € | 759 487 € | 528 943 € | 656 152 € | 408 170 € | -64% | 44% | -19% | 61% | 100% | 100% | 100% | 100% | 100% |
| EXPENSES | 2022 | 2021 | 2020 | 2019 | 2018 | 22/21 | 21/20 | 20/19 | 19/18 | %22 | %21 | %20 | %19 | %18 |
| Hosting | 18 148 € | 45 682 € | 24 829 € | 19 638 € | 21 032 € | -60% | 84% | 26% | -7% | 7% | 6% | 5% | 3% | 5% |
| Book keeping and services | 24 128 € | 18 424 € | 25 890 € | 19 506 € | 11 196 € | 31% | -29% | 33% | 74% | 9% | 2% | 5% | 3% | 3% |
| IT support and other services | 6 106 € | 5 939 € | 6 025 € | 5 938 € | 6 098 € | 3% | -1% | 1% | -3% | 2% | 1% | 1% | 1% | 1% |
| Programming contest and Prizes | 1 150 € | 3 276 € | 300 € | 252 € | 245 € | -65% | 992% | 19% | 3% | % | % | % | % | % |
| Marcom & Collateral | 847 € | 723 € | 316 € | 7 102 € | 6 955 € | 17% | 129% | -96% | 2% | % | % | % | 1% | 2% |
| Insurance, Dues | 1 108 € | 2 772 € | 2 506 € | 2 017 € | 1 956 € | -60% | 11% | 24% | 3% | % | % | % | % | % |
| Trade shows, marketing | 11 915 € | 11 702 € | 346 € | 35 179 € | 23 396 € | 2% | 3286% | -99% | 50% | 4% | 2% | % | 5% | 6% |
| Travel expenses | 7 429 € | 2 879 € | 2 004 € | 22 586 € | 15 650 € | 158% | 44% | -91% | 44% | 3% | % | % | 3% | 4% |
| Bank charges | 530 € | 244 € | 236 € | 262 € | 213 € | 118% | 3% | -10% | 23% | % | % | % | % | % |
| Others (storage, stationary, postage, fees, equipment, etc) | 5 042 € | 5 961 € | 4 197 € | 8 724 € | 4 478 € | -15% | 42% | -52% | 95% | 2% | 1% | 1% | 1% | 1% |
| Taxes and equivalent | 11 502 € | 15 941 € | 23 277 € | 17 856 € | 14 660 € | -28% | -32% | 30% | 22% | 4% | 2% | 4% | 3% | 4% |
| Total operating expenses | 87 905 € | 113 542 € | 89 925 € | 139 060 € | 105 879 € | -23% | 26% | -35% | 31% | 32% | 15% | 17% | 21% | 26% |
| <i>Salaries and benefits</i> | € | € | € | € | € | - | - | - | - | | | | | |
| Salaries | 271 342 € | 345 108 € | 350 732 € | 363 700 € | 315 360 € | -21% | -2% | -4% | 15% | 99% | 45% | 66% | 55% | 77% |
| Social charges | 105 182 € | 133 864 € | 134 776 € | 140 001 € | 129 446 € | -21% | -1% | -4% | 8% | 38% | 18% | 25% | 21% | 32% |
| Total Salaries and Benefits | 376 524 € | 478 972 € | 485 509 € | 503 701 € | 444 806 € | -21% | -1% | -4% | 13% | 138% | 63% | 92% | 77% | 109% |
| <i>Amortization and Finance</i> | € | € | € | € | € | - | - | - | - | | | | | |
| Provision for defaulting fee payments | € | € | € | € | € | - | - | - | - | ,0% | ,0% | ,0% | ,0% | ,0% |
| Other expenses | € | € | 20 € | 5 € | 12 € | 0% | -98% | 341% | -62% | ,0% | ,0% | ,0% | ,0% | ,0% |
| Amortization on tangible assets | 473 € | 271 € | 1 316 € | 1 381 € | 881 € | 74% | -79% | -5% | 57% | ,2% | ,0% | ,2% | ,2% | ,2% |
| Loss on currency exchange | € | € | € | € | € | - | - | - | - | ,0% | ,0% | ,0% | ,0% | ,0% |
| Total Amortization and Finance | 473 € | 272 € | 1 336 € | 1 386 € | 893 € | 74% | -80% | -4% | 55% | ,2% | ,0% | ,3% | ,2% | ,2% |
| Total Expenses | 464 902 € | 592 786 € | 576 770 € | 644 146 € | 551 578 € | -22% | 3% | -10% | 17% | 170% | 78% | 109% | 98% | 135% |
| RESULT | -191 628 € | 166 701 € | -47 827 € | 12 006 € | -143 408 € | -215% | - | -498% | - | -70% | 22% | -9% | 2% | -35% |