2021 CONSOLIDATED FINANCIAL STATEMENTS

Linedata

CONSOLIDATED INCOME STATEMENT

(in € thousands)	Notes	31/12/2020	31/12/2021
Revenue	***5.1***	**161 013**	**160 196**
Purchases and external expenses	*5.6*	(29 655)	(32 534)
Taxes and duties		(2 846)	(2 424)
Employee expenses	*6.2*	(78 160)	(70 151)
Other recurring operating income and expenses	*5.7*	(1 241)	(1 760)
Depreciation, amortization, impairment and provisions		(15 642)	(13 952)
Recurring operating profit		**33 469**	**39 375**
As % of revenue		**20.8%**	**24.6%**
Other operating income and expenses	*5.8*	(847)	(972)
Operating profit		**32 622**	**38 403**
As % of revenue		**20.3%**	**24.0%**
Net borrowing costs *	*9.2.1*	(2 710)	(2 117)
Other financial income	*9.2.2*	480	3 170
Other financial expenses *	*9.2.2*	(3 036)	(848)
Income tax	*10.1*	(7 101)	(10 320)
Profit from continuing operations		**20 256**	**28 288**
Profit from discontinued operations		-	-
CONSOLIDATED PROFIT FOR THE YEAR		**20 256**	**28 288**
As % of revenue		**12.6%**	**17.7%**
Attributable to non-controlling interests		-	-
Attributable to owners of the Company		20 256	28 288

EARNINGS PER SHARE (in euros)			
Basic earnings per share	*11.2*	3.09	4.42
Diluted earnings per share	*11.2*	3.09	4.42

* The IFRS 16 financial interest expense is included in the “Net borrowing costs” line. It was previously presented in other financial expenses. The impact of the reclassification is €601 thousand at 12/31/2020 and €615 thousand at 12/31/2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	31/12/2020	31/12/2021
Consolidated profit for the year	**20 256**	**28 288**
Currency translation adjustments	(8 271)	7 911
Change in derivative financial instruments	37	30
Of which tax effects	*(18)*	*(22)*
Items that may be subsequently reclassified to profit or loss	**(8 234)**	**7 941**
Actuarial gains and losses on retirement benefit obligations	22	701
Of which tax effects	*(9)*	*(308)*
Items that will not be subsequently reclassified to profit or loss	**22**	**701**
Total other comprehensive income (loss) for the year, net of tax	**(8 212)**	**8 642**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**12 044**	**36 930**

Translation reserves include translation differences between the operating currencies of Group entities and the reporting currency and the effects of hedges of net investments in foreign operations. Movements are recognised in “Other comprehensive income”. These translation reserves are also impacted by the sale of foreign operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in € thousands)	Notes	31/12/2020	31/12/2021
Goodwill	*7.1*	151 171	159 253
Intangible assets	*7.2*	26 191	30 446
Right of use IFRS 16 *	*7.3*	26 936	28 115
Property, plant and equipment *	*7.4*	10 446	9 399
Non-current financial assets		1 176	1 380
Other non-current assets		423	16
Deferred tax assets	*10.2*	3 300	3 315
Non-current assets		**219 643**	**231 924**
Trade and other receivables	*5.3*	43 458	45 510
Tax receivables		4 311	1 871
Cash and cash equivalents	*9.1.2*	30 180	38 840
Current assets		**77 949**	**86 221**
TOTAL ASSETS		**297 592**	**318 145**

* The 2020 financial data presented on the "Property, plant and equipment *" line corresponds to the published data restated for the leasing relating to the head office premises. In application of IFRS 16, this financial lease now appears on the line "Right of use IFRS 16" for an amount of €11.1 million.

EQUITY AND LIABILITIES (in € thousands)	Notes	31/12/2020	31/12/2021
Capital stock		6 626	6 518
Reserves		94 576	110 988
Profit for the year		20 256	28 288
Equity attributable to owners of the Company		**121 458**	**145 794**
Non-controlling interests		**-**	**-**
TOTAL EQUITY	***11***	**121 458**	**145 794**
Provisions for retirement and other post-employment benefits	*6.3*	8 371	7 609
Non-current provisions	*8.1*	39	82
Non-current loans and other financial liabilities *	*9.1.1*	68 748	60 448
Non-current rent debts IFRS 16 *		19 690	21 024
Deferred tax liabilities	*10.2*	12 361	14 313
Other non-current liabilities		777	753
Non-current liabilities		**109 986**	**104 229**
Current provisions	*8.1*	303	223
Current loans and other financial liabilities *	*9.1.1*	20 861	15 109
current rent debts IFRS 16 *		5 011	4 499
Current operating liabilities	*5.4*	37 124	42 965
Current tax liabilities		2 849	5 326
Current liabilities		**66 148**	**68 122**
TOTAL EQUITY AND LIABILITIES		**297 592**	**318 145**

* The 2020 financial data presented on the lines "Non-current loans and other financial liabilities" and "Current loans and other financial liabilities" correspond to the published data restated for the leasing relating to the head office premises. In accordance with IFRS 16, this lease now appears on the lines "Non-current rent debts IFRS 16" for an amount of € 6.4 million and "current rent debts IFRS 16" for an amount of €1.3 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousands)	Number of shares	Capital stock	Additional paid-in capital	Consolidated reserves	Treasury stock	Other comprehensive income (loss)	Profit for the year	Total Equity Group share	Minority share	Total Equity
As of 12/31/2019	**6 625 726**	**6 626**	**13 988**	**91 818**	**(182)**	**(11 290)**	**17 810**	**118 770**	**(217)**	**118 553**
Appropriation of profit for the year	-	-	-	17 810	-	-	(17 810)	**-**	-	**-**
Profit for the year	-	-	-	-	-	-	20 256	**20 256**	-	**20 256**
Capital stock transactions	-	-	-	-	-	-	-	**-**	-	**-**
Treasury stock transactions	-	-	-	-	(3 248)	-	-	**(3 248)**	-	**(3 248)**
Share-based payments	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(6 243)	-	-	-	**(6 243)**	-	**(6 243)**
Other comprehensive income (loss)	-	-	-	-	-	59	-	**59**	-	**59**
Foreign currency translation adjustm	-	-	-	-	-	(8 271)	-	**(8 271)**	-	**(8 271)**
Other movements	-	-	-	(21)	21	135	-	**135**	217	**352**
As of 12/31/2020	**6 625 726**	**6 626**	**13 988**	**103 364**	**(3 409)**	**(19 367)**	**20 256**	**121 458**	**(0)**	**121 458**
Appropriation of profit for the year	-	-	-	20 256	-	-	(20 256)	**-**	-	**-**
Profit for the year	-	-	-	-	-	-	28 288	**28 288**	-	**28 288**
Capital stock transactions	(107 576)	(108)	(2 385)	-	2 493	-	-	**-**	-	**-**
Treasury stock transactions	-	-	-	-	(4 095)	-	-	**(4 095)**	-	**(4 095)**
Share-based payments	-	-	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(8 636)	-	-	-	**(8 636)**	-	**(8 636)**
Other comprehensive income (loss)	-	-	-	-	-	731	-	**731**	-	**731**
Foreign currency translation adjustm	-	-	-	-	-	7 911	-	**7 911**	-	**7 911**
Other movements	-	-	-	136	-	-	-	**136**	-	**136**
As of 12/31/2021	**6 518 150**	**6 518**	**11 603**	**115 120**	**(5 011)**	**(10 725)**	**28 288**	**145 794**	**-**	**145 794**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)	Notes	31/12/2020	31/12/2021
Profit for the year from continuing operations		**20 256**	**28 288**
Net amortization and provisions	.2, 7.2, 7.4 & 8.1	15 616	13 962
Financial interests IFRS 16 *	9.2.1	566	615
Net borrowing costs excluding IFRS 16	9.2.1	2 007	1 502
Deferred taxes charge	10.2	1 876	1 154
Net change in working capital - Corporate income tax		(2 263)	4 313
Net change in working capital excluding corporation tax	5.8	392	1 431
Net cash from (used in) operating activities		**38 450**	**51 265**
Acquisitions/disposals of property, plant and equipment and intangible assets	7.2 & 7.4	(12 169)	(9 478)
Acquisitions/disposals of property, plant and equipment IFRS 16	7.3	(10 389)	(5 242)
Acquisitions of long-term investments, net of cash acquired	3.3	(300)	-
Acquisitions/Disposals of non-current financial assets		-	(148)
Change in other financial assets		275	-
Net cash from (used in) investing activities		**(22 583)**	**(14 868)**
Acquisition of own shares	11.1.2	(3 236)	(4 095)
Dividends paid	11.1.3	(6 243)	(8 636)
Increase in non-current loans and other liabilities	9.1.1	15 000	55 817
Increase of IFRS 16 rental debt	9.1.1	10 389	5 242
Repayment of non-current loans and other liabilities *	9.1.1	(9 673)	(69 476)
Repayment of IFRS 16 rental debt *	9.1.1	(5 660)	(5 564)
Interest paid		(2 025)	(1 865)
Financial interests IFRS 16 *	9.2.1	(566)	(615)
Net cash from (used in) financing activities		**(2 014)**	**(29 192)**
Effects of exchange rate fluctuations		(852)	1 454
NET INCREASE (DECREASE) IN NET CASH AND CASH EQUIVALENTS		**13 001**	**8 659**
Net cash and cash equivalents at beginning of year		17 178	30 180
Net cash and cash equivalents at end of year		30 179	38 839
Of which :		-	-
Cash and cash equivalents	*9.1.2*	*30 180*	*38 840*
Bank overdrafts	*9.1.2*	*(1)*	*(1)*

* The December 2020 financial data presented on the line “Repayment of non-current loans and other liabilities” corresponds to the published data restated for the leasing of the head office premises. In application of the IFRS 16 standard, this financial lease now appears on the line “Repayment of IFRS 16 rental debt” for an amount of €1.3 million. IFRS 16 interest charges are presented in Cash flow from financing activities.

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NOTE 1 SIGNIFICANT ACCOUNTING PRINCIPLES

Linedata Services is a French corporation (société anonyme) subject to the regulations applicable to commercial companies, whose registered office is at 27, Rue d'Orléans, 92200 Neuilly-sur-Seine, France. Linedata Services is listed on Euronext Paris. Linedata Services and its subsidiaries in France and abroad (hereafter "the Group") are major players in the development and distribution of financial software, solutions integration, product development, consultancy and training for its software products. Its areas of expertise are Asset Management and Lending and Leasing.

entity identity	
company name	Linedata Services
Explanation of name change	The company has not changed its name or means of identification during the financial year
Head office country	France
Legal status	Anonimous society
Country of registration	France
Headquarters address	27, rue d'Orléans 92200 Neuilly-sur-Seine
Main establishment address	27, rue d'Orléans 92200 Neuilly-sur-Seine
activity Description	Publishing and distribution of financial software packages, integration of solutions and carrying out development, consulting and training work for its software packages
parent company name	Linedata Services
Group leader name	Linedata Services

The consolidated financial statements for the year ended December 31, 2021 have been drawn up under the responsibility of the Board of Directors and examined during its meeting on February 11, 2022.

1.1. Accounting framework applied

The consolidated financial statements for the year ended December 31, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards are available on the European Commission's website : https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr

1.1.1. New standards and interpretations whose application is mandatory

The new standards, amendments to existing standards and interpretations that are mandatory for fiscal years beginning on or after January 1, 2021 are the amendments to IFRS 7, IAS 39 and IFRS 9, in connection with the reform of benchmark interbank rates , and the amendment to IFRS 16 concerning rent relief related to COVID-19 beyond June 30, 2021. The first application of these amendments does not have a significant impact for the Group. Furthermore, the amendment to IFRS 4 relating to the extension of the temporary exemption from the application of IFRS 9 does not concern the group.
As for the IFRIC interpretation in respect of IAS 38 software in the cloud (Cloud Computing), the possible impacts are currently being investigated by the group and the impacts will be published in the half-year accounts as of June 30, 2022 .

1.1.1. Standards and interpretations adopted by the European Union which may be adopted early

The new standards, amendments to existing standards and interpretations adopted by the European Union which are mandatory after December 31, 2021 and potentially applicable to the group are:

- amendment to IAS 16 relating to the proceeds from the sale of property, plant and equipment before their intended use
- amendment to IAS 37 relating to the costs to be considered to determine whether a contract is onerous.
- amendment to IFRS 16 relating to rental incentives.
- amendment to IFRS 9 relating to the derecognition of financial liabilities:
  fees and commissions to be included in the 10% test.
- amendment to IFRS 16 relating to rental incentives.
- annual process for improving standards cycle 2018-2020

The group has not applied these texts in advance and does not expect any significant impact from their application.

1.1.2. Standards and interpretations published by the IASB but not yet adopted by the European Union

The new standards, amendments to existing standards and interpretations not yet adopted by the European Union which are mandatory after December 31, 2021 and potentially applicable to the group are:

- amendments to IAS 1: classification of liabilities as current and non-current liabilities
- amendments to IAS 8: definition of an accounting estimate

The group does not expect any significant impact from their application.

1.2. Basis of preparation – Accounting estimates and judgments

When preparing the financial statements, Management is required to make estimates and adopt assumptions concerning the measurement of certain assets and liabilities stated in the consolidated statement of financial position, as well as certain items in the income statement. Management is also required to exercise its judgment when applying the Group's accounting methods.

These estimates and judgments, which are continually updated, are based on the one hand on historical information and on the other hand on the anticipation of future events deemed reasonable in view of the circumstances. Given the degree of uncertainty relating to the realization of assumptions concerning the future, especially in the context of the health crisis linked to the Covid 19 epidemic (see Note 2), the resulting accounting estimates may differ from the actual amounts when they are known.

Other estimates and judgments are made and are included in Note 6.3 on provisions for pensions and similar commitments.

NOTE 2 IMPACT OF THE EXTERNAL ENVIRONMENT

2.1. IMPACTS OF THE COVID 19 PANDEMIC

The health crisis that the world has been facing since the beginning of 2020 has led the Group to mobilize to ensure the continuity of its services, by setting up business continuity plans, broken down by country , while protecting the health of its employees.

From the start of the Covid-19 crisis, in February / March 2020, priority had been given to protecting the health of employees and continuity of service. Thus, the use of telework, generalized to more than 99% of employees at the height of the epidemic and continuing to apply in many offices, has enabled and continues to enable business continuity.

Anticipating a slowdown in its activity, the Group had also implemented, from the start of the health crisis, a program to reduce its overheads by canceling or postponing all non-essential expenses, and by reallocating on an ad hoc basis during confinement teams whose workload was reduced on other missions deemed to be priorities. During the 2021 financial year, the Group firstly reactivated recruitment at all sites, and secondly intensified its investments in terms of sales teams and marketing expenditure in order to revitalize its sales and support its organic growth.

In 2020, with the development of the pandemic and the measures to restrict movement and containment of populations around the world, the Group had noticed a slowdown in consulting activities due to the closure of several client sites. In addition, the signatures of certain customer contracts in the process of being finalized had been delayed, in particular in the Lending & Leasing activity, which suffered more severely from the wait-and-see attitude linked to the health crisis. In fiscal year 2021, with the reopening of client sites, the group saw a moderate recovery in consulting activity in a context still subject to caution on the part of our clients on large-scale projects.

In this particular context, the Group can rely on its resilient profile. Indeed, its activities revolve around recurring services representing 78.1% of its turnover as of December 31, 2021 (Licenses, Business Process Services, IT infrastructure management, Application maintenance, etc.).

As part of the preparation of the consolidated financial statements as of December 31, 2021, the following points can be highlighted:

<u>Recoverable value of operating assets (trade receivables, contract assets, etc.)</u>
The Group, having strengthened its debt collection system in 2020, did not identify any one-off unpaid situations that would have required the recording of new provisions for significant impairment of customer accounts as of December 31, 2021 in connection with IFRS 9.
The Group remains attentive to any change in the economic environment that could lead to risks of default by its counterparties and will adjust its customer provisions, if necessary, during the next closings. As of December 31, the change in customer risk did not require a review of the model within the meaning of IFRS 9.

<u>Intangible assets with an unlimited life (i.e. not amortized)</u>
As of December 31, 2021, the Group performed impairment tests on all of the group's CGUs.
No impairment loss has been identified on intangible assets with an unlimited life (i.e. not amortized).

<u>Cash and net liquidity</u>
The Covid-19 pandemic has led the Group to secure its liquidity and its financial situation.
From the first quarter of 2020, the Group has strengthened its monitoring of cash, its investments and its working capital requirement.
From April to December 2020, in connection with the "CARES Act", Linedata's American subsidiaries benefited from €0.8 million (0.9 million USD) in the payment of social debts: 50% was paid in December 2021 and 50% will be paid in December 2022.
In June 2021, Linedata Services took out a syndicated loan for €56 million for the refinancing of the Group (see note 9.1.2).

<u>Covenants</u>
The Group has not encountered any situation of non-compliance with covenants as of December 31, 2021.

Given the uncertainty about the evolution of the pandemic around the world, the Group remains constantly attentive to the latter. As of December 31, 2021, the group has not identified any significant impact of the effects of the pandemic on its main estimates.

2.2. Other impacts of the external environment

As an international Group, Linedata is attentive to the external environment (or situations) that may impact its activities:

Brexit: UK exit from the European Union
Following the departure of the United Kingdom from the European Union, the Group has not observed any significant impact on its activity and does not expect any in this regard for the current year. Indeed, the impact of Brexit on Linedata's activity should remain moderated by the Group's presence in both the United Kingdom and Europe.

Hong Kong: political instability
Linedata has 44 employees and generates 5% of its revenue outside the Group in Hong Kong, which has experienced strong political instability since mid-2019. The Group maintains proactive vigilance on the evolution of the political situation in Hong Kong. The Group has developed and implemented business continuity plans and specific response plans. The experience of widespread remote work imposed by confinements linked to the Covid-19 pandemic has confirmed the operational functionality of continuity plans.

NOTE 3 CONSOLIDATION SCOPE

3.1. Accounting principles related to the consolidation scope

3.1.1 Consolidation method

Linedata Services is the consolidating company.

The financial statements of companies under Linedata Services' exclusive control are fully consolidated. Control is deemed to exist where the parent company holds, directly or indirectly via subsidiaries, more than half of an entity's voting rights. Control is also deemed to exist where the parent company holds half or less than half of an entity's voting rights but has:

- ✓ power over more than half of the voting rights by virtue of an agreement with other investors,
- ✓ power to govern the entity's financial and operational policies by virtue of a regulation or contract,
- ✓ power to appoint or remove from office the majority of the members of the Board of Directors or equivalent managing body, if control over the entity is exercised by said Board or body, or
- ✓ power to control the majority of the voting rights at meetings of the Board of Directors or equivalent managing body, if control over the entity is exercised by said Board or body.

Intragroup transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation.
The financial statements of all consolidated companies are close to December 31 each year. They are, where relevant, adjusted to ensure the consistency of the accounting and measurement rules applied by the Group.

3.1.2 Foreign currency translation

<u>Functional currency and financial statements' presentation currency</u>
Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency").
The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company Linedata Services.

<u>Translation of financial statements of foreign subsidiaries</u>
The subsidiaries have as their functional currency their local currency, in which most of their transactions are denominated. The financial statements of all Group entities whose functional currency is different from the presentation currency are translated into euros as follows:

- ✓ assets and liabilities are translated at the closing exchange rate,
- ✓ revenues, expenses and cash flows are translated at the average exchange rate for the financial year,
- ✓ all resulting translation differences are recognized as a separate component of equity under the heading "Translation reserves".

Translation differences resulting from the translation of net investments in foreign operations are recognized as a separate component of equity under the heading "Translation reserves", in accordance with IAS 21. Translation differences relating to intragroup loans are regarded as forming an integral part of the Group's net investment in the foreign subsidiaries concerned.
The goodwill and fair value adjustments resulting from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

The Group does not consolidate any entity operating in a hyperinflationary economy.

Details are provided in Note 13 of the rates used to translate foreign currencies.

<u>Translation of foreign currency transactions</u>
Transactions in foreign currencies are translated into the functional currency at the exchange rate ruling on the date of the transaction. Foreign currency translation gains and losses resulting from the settlement of these transactions and those caused by the translation at the closing exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

3.1.3 Business combinations

The Group applies revised IFRS 3 to the purchase of assets and the assumption of liabilities that constitute a business. The acquisition of assets or groups of assets that do not constitute a business is recognized in accordance with the standards applicable to such assets (IAS 16, IAS 38 and IFRS 9).
The Group recognizes all business combinations in accordance with the acquisition method, which involves:

- ✓ measuring and recognizing at fair value on the acquisition date the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The Group identifies and allocates these items on the basis of contractual provisions, economic conditions and its accounting and management policies,
- ✓ measuring and recognizing on the acquisition date the difference, known as "goodwill", between:
  - ✓ the acquisition price of the acquiree, to which is added the amount of any non-controlling interest in the acquiree, and
  - ✓ the net amount of the identifiable assets acquired and liabilities assumed.

The acquisition date is the date on which the Group obtains control of the acquiree.
The acquisition price of the acquiree corresponds to the fair value, as of the acquisition date, of the elements of the consideration transferred to the vendor in exchange for control of the acquiree, excluding any element which is consideration for a transaction that is separate from the acquisition of control.
In cases in which the business combination can only be recognized on a provisional basis by the end of the reporting period in which it occurs, the acquirer recognizes the business combination using provisional amounts. The acquirer must then recognize adjustments to these provisional amounts necessary to finalize recognition of the combination within the 12 months following the acquisition date.

3.2. List of consolidated companies

Company's name	Country	% control	Consolidation method
Linedata Services	France	-	Parent company
Linedata Services Asset Management	France	100%	Full consolidation
Linedata Services Leasing & Crédit	France	100%	Full consolidation
Loansquare SAS	France	100%	Full consolidation
Linedata Services Luxembourg	Luxembourg	100%	Full consolidation
Linedata Services Lending & Leasing SL	Spain	100%	Full consolidation
Linedata Services Tunisie	Tunisia	100%	Full consolidation
Linedata Technologies Tunisie	Tunisia	100%	Full consolidation
Linedata Maroc	Morocco	100%	Full consolidation
Linedata Ltd	United Kingdom	100%	Full consolidation
Derivation Software Limited	United Kingdom	100%	Full consolidation
Linedata Services (UK) Ltd	United Kingdom	100%	Full consolidation
Linedata Limited	Ireland	100%	Full consolidation
Linedata Services (Latvia) SIA	Latvia	100%	Full consolidation
Linedata Services Inc	United States	100%	Full consolidation
Linedata Asset Management Inc (ex-Linedata Lending & Leasing Inc)	United States	100%	Full consolidation
Linedata L&C Inc	United States	100%	Full consolidation
Gravitas Technology Services LLC	United States	100%	Full consolidation
Linedata Services Lending & Leasing Corp	Canada	100%	Full consolidation
Linedata Services H.K. Limited	Hong Kong	100%	Full consolidation
QRMO	Hong Kong	100%	Full consolidation
Linedata Services India Private Limited	India	100%	Full consolidation
Gravitas Technology Private Limited	India	100%	Full consolidation

Linedata SA de C.V, Linedata Canada and Derivation Software Corp, did not trade and were not consolidated as of December 31, 2021.

All Group companies were consolidated on the basis of their financial statements close to December 31, of a 12- month period,

3.3. Impact on cash flows of changes in scope

The impact of changes in scope on net cash flows breaks down as follows:

(in € thousands)	31/12/2020	31/12/2021
Purchase price of acquisition paid	(300)	-
ACQUISITIONS OF TITLES OF PARTICIPATION, NET OF THE ACQUIRED TREASURY	**(300)**	**-**

The Group acquired the remaining 30% of the shares in Loansquare on March 31, 2020 for €0.3 million.

3.4. Off-balance sheet commitments related to the consolidation scope

In connection with asset acquisitions, the Group has given the following guarantees:

Description	Received/ given	Purpose	Start date	End date	Beneficiary	Ceiling
Acquisition of the Derivation Software shares	Received	Capacity to contract, capital and ownership of the shares, companies' legal compliance, intellectual property	04/08/2016	04/08/2022	Linedata Ltd	Purchase price paid by Linedata to each vendor
		Taxes	04/08/2016	04/08/2023	Linedata Ltd	2 M£
Acquisition of the Quality Risk Management & Operations (QRMO) shares	Received	Standard guarantees: contractual capacity, capital and share ownership, intellectual property…	08/07/2017	For guarantees linked to share ownership and intellectual property: 07/08/2023 (6 years) or the end date applicable to the guarantee type concerned.	Linedata Services (HK) Limited	For guarantees relating to share ownership and intellectual property: 100% of the acquisition price (i.e. 5.6 M$).

NOTE 4 SEGMENT REPORTING

Information by sector of activity

Pursuant to IFRS 8, segment information is prepared on the basis of the internal management data communicated to the Executive Committee, the Group's main operational decision-making body.

The reported segments correspond to the following business segments:
- ✓ Asset Management,
- ✓ Lending & Leasing,
- ✓ Others, including Employee Savings and Insurance and Pension Funds.

Aggregate used for performance measurement

Performance measurement for each business segment, as reviewed by the Executive Committee, is based mainly on EBITDA before IFRS 16 *(Earnings Before Interest, Tax, Depreciation and Amortization)* determined by excluding from the operating profit or loss the main line having no cash counterpart "Net depreciation, amortisation and provisions" as well as "Net provisions for pension commitments" included in personnel expenses. EBITDA is a key indicator for the Group, simply reflecting the level of cash generated by the Group's day-to-day operations. It is thus commonly used to calculate the business's financial and valuation ratios.

Information by Geographic Area

The Group's activities by origin of sales are broken down into four geographical areas:

- ✓ Southern Europe,
- ✓ Northern Europe,
- ✓ North America,
- ✓ Asia.

4.1. Segment results

4.1.1. Year ended December 31, 2020

(in € thousands)	Asset Management	Lending & Leasing	Other Activities	Total Group
Order book	**108 122**	**64 519**	**4 570**	**177 211**
Revenue	**104 491**	**51 394**	**5 128**	**161 013**
EBITDA	**29 340**	**16 140**	**2 952**	**48 432**
% EBITDA	**28.1%**	**31.4%**	**57.6%**	**30.1%**
Operating Profit	**19 475**	**10 501**	**2 646**	**32 622**
% Operating Profit	**18.6%**	**20.4%**	**51.6%**	**20.3%**
Goodwills	97 013	47 143	7 015	151 171
Intangible assets	20 578	5 591	22	26 191
Right of use IFRS 16 *	21 085	5 016	835	26 936
Fixed assets *	8 177	1 945	324	10 446
Other non-current segment assets	1 262	315	22	1 599
Current segment assets	41 841	29 134	2 664	73 638
Segment Assets	**189 956**	**89 144**	**10 881**	**289 981**
Non-current sectoral liabilities	2 491	5 866	831	9 187
Current sectoral liabilities	22 359	14 283	785	37 427
Sector Liabilities	**24 850**	**20 148**	**1 615**	**46 614**
Intangible investments	**6 266**	**1 931**	**4**	**8 201**
Tangible investments	**3 560**	**241**	**88**	**3 889**

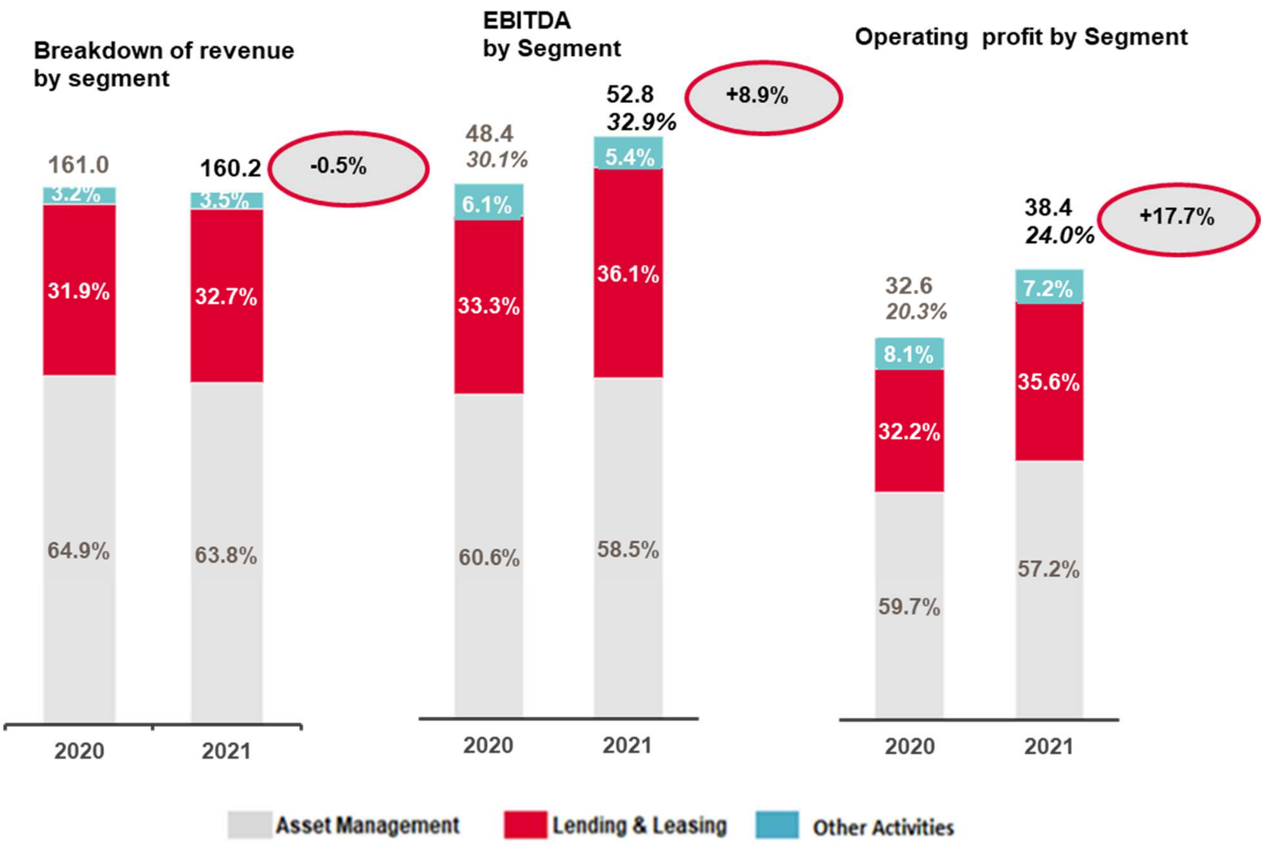
* The 2020 financial data presented on the "Fixed assets" line corresponds to the published data restated for the leasing relating to the head office premises. In application of IFRS 16, this financial lease now appears on the line "Right of use IFRS 16" for an amount of €11.1 million

4.1.2. Year ended December 31, 2021

(in € thousands)	Asset Management	Lending & Leasing	Other Activities	Total Group
Order book	**119 241**	**65 605**	**2 824**	**187 669**
Revenue	**102 252**	**52 425**	**5 519**	**160 196**
EBITDA	**30 859**	**19 066**	**2 827**	**52 753**
% EBITDA	**30.2%**	**36.4%**	**51.2%**	**32.9%**
Operating Profit	**21 971**	**13 674**	**2 759**	**38 403**
% Operating Profit	**21.5%**	**26.1%**	**50.0%**	**24.0%**
Goodwills	103 611	48 812	6 830	159 253
Intangible assets	25 565	5 068	(187)	30 446
Right of use IFRS 16	19 992	7 565	558	28 115
Fixed assets	6 684	2 529	186	9 400
Other non-current segment assets	1 050	328	18	1 396
Current segment assets	48 565	33 595	2 190	84 350
Segment Assets	**205 466**	**97 897**	**9 595**	**312 959**
Non-current sectoral liabilities	2 201	5 646	597	8 444
Current sectoral liabilities	24 825	17 444	919	43 188
Sector Liabilities	**27 026**	**23 090**	**1 516**	**51 633**
Intangible investments	**6 098**	**1 463**	**1**	**7 562**
Tangible investments	**1 228**	**600**	**88**	**1 916**

The backlog corresponds to the revenue remaining to be recognized in respect of service obligations not yet fulfilled or partially fulfilled on the closing date.
Information relating to the backlog is detailed in Note 5.1.

4.1.3. Sector data



4.2. Reconciliation with Group data

EBITDA is reconciled with the Group's operating profit or loss as follows:

(in € thousands)	31/12/2020	31/12/2021
EBITDA	**48 432**	**52 753**
Net allocations to depreciation and provisions	(15 642)	(13 952)
Net allocations to provisions on pension commitment	(167)	(287)
Other non-current operating income and expenses	-	(111)
OPERATING PROFIT	**32 622**	**38 403**

Total segment assets and liabilities are reconciled with the Group's total assets and liabilities as follows:

(in € thousands)	31/12/2020	31/12/2021
Segment Assets	**289 981**	**312 959**
Deferred taxes on assets	3 300	3 315
Tax receivables	4 311	1 871
TOTAL GROUP ASSETS	**297 592**	**318 145**
Sector Liabilities	**46 614**	**51 633**
Equity capital	121 458	145 794
Borrowings and financial debts	114 310	101 080
Deferred tax liabilities	12 361	14 313
Current tax liabilities	2 849	5 326
TOTAL GROUP LIABILITIES	**297 592**	**318 146**

4.3. Information by geographic zone

External revenue by source of sales is as follows:

(in € thousands)	31/12/2020		31/12/2021	
Southern Europe	52 243	32.4%	53 373	33.3%
Northern Europe	30 691	19.1%	30 884	19.3%
North America	69 727	43.3%	67 424	42.1%
Asia	8 353	5.2%	8 516	5.3%
REVENUE	**161 013**	**100.0%**	**160 196**	**100.0%**

4.4. Revenue by main clients

During the 2021 financial year, the first 5 customers of Linedata represented 15% of the turnover, and the first 10 25% of this turnover. In 2020, Linedata's top 5 customers accounted for 16% of revenue, and the top 10 25% of revenue.

NOTE 5 ACTIVITY

5.1. Revenue

The applicable standard is IFRS 15 “Revenue from Contracts with Customers”.

Revenue must be recognized so as to reflect the transfer of control of the goods or services promised to the client for the amount of consideration to which the Group expects to be entitled in exchange.

The analysis conducted by the Group was carried out with reference to the various steps of the standard, namely:

- ✓ **Step 1: Contract identification**

The Group systematically signs a contract with its clients regardless of the services sold. The criteria mentioned by the standard are covered during the legal and financial reviews:

- ✓ recovery of the price is probable,
- ✓ rights to the goods and services and payment terms can be identified,
- ✓ the contract is approved and the parties are committed to complying with their obligations.

- ✓ Step 2: Identification of performance obligations

With regard to the step involving identification of the performance obligations defined by the standard, it is identified that the Group’s business model relies on the simultaneous sale of the following items:

1.a) sale of a perpetual or fixed-term licence: this licence provides a right of use and not a right of access to the intellectual property. The granting of this right may be perpetual or for a limited period. The Group never authorises its clients to have access to the source code. The operative event is the signing by the client of a software acceptance report.

1.b) sale of “user packs” in addition to the license agreement: the Group may sell additional licenses based on the number of additional users requested by the client. These are generally “user packs”, optional for the client, the quantity and price of which are negotiated in the initial contract. Otherwise, an amendment to the main contract is negotiated and signed with the client. This will involve a separate and optional sale of a license for the client. Pursuant to IFRS 15, if the original license is unchanged and the number of users can be increased at the client’s discretion, the addition of a user will not constitute a license sale, and payment by the client will be treated as a royalty based on usage during the term of the agreement.

2.) sale of an implementation service: this service consists of configuring the software so that it can be adapted to the client's organization and activity. This will involve configuring the standard software and not developing additional software.

3.) sale of consulting services: this involves helping the client to define and implement new functionalities.

4.) sale of a maintenance and support service: insofar as the Group does not include a “legal guarantee of compliance” within the meaning of the DGCCRF, it is proposed that clients can sign an additional maintenance contract characterized by so-called “corrective” maintenance to facilitate correction of any “bugs”. Regarding “upgrade” maintenance, major updates, those requiring transition to a so-called “major” version, are reinvoiced to clients. Linedata systematically provides ongoing upgrade maintenance insofar as this service requires in-depth knowledge of the software. To date, there are no third parties performing maintenance in Linedata’s place.

5.) sale of ASP services (Saas): the sale of an ASP service is mainly characterised by:

- ✓ granting of a temporary right to use a Linedata software,
- ✓ maintenance and support for the software in question,
- ✓ the provision of hardware and software infrastructure for production and acceptance-testing environments,
- ✓ provision of hosting, operation and administration services.

Linedata owns the hardware, software and methods while the client is the sole owner of its data.
In consideration of this service, the client undertakes to pay an annual fee covering all the services described above.

In application of the criteria set out in the standard, and given that:

- ✓ clients cannot use other resources that are readily available and are obliged to call upon Linedata to provide this service,
- ✓ some contracts do not specify the nature of the various services, while others explain them in detail,

The Group identified that in an ASP contract, goods and services form a whole and are totally dependent on each other. The client simultaneously receives and consumes all the benefits generated by the service as and when it is provided. Hosting and maintenance can be separated from the license.

With regard to significant judgements made concerning amounts excluded from the balance of performance obligations remaining to be satisfied, due to application of the variable counterparty capping rule, and in particular for contracts containing variable elements, the Group has calculated the average amount of revenue over the last three financial years and then, where appropriate, a percentage of attrition risk based on knowledge of the attrition risks.

✓ **Step 3: Determination of the transaction price**

The transaction price is the amount of consideration that the Company expects to receive in exchange for transfer of the goods or services. Prices are included in the contracts signed with clients.
IFRS 15 introduces the following applicable criteria to be considered when determining the transaction price:

- ✓ Variable portion of the price: the Group does not offer discounts, rebates or price reductions to clients. Maintenance contracts include penalty clauses in the event that the performance criteria are not met. Historically, the Group has not incurred any penalties on these contracts. Furthermore, these contracts do not present a loss on completion. Lastly, the agreements do not provide for any performance-related bonuses.
- ✓ Financial component: given the duration of the contracts and the low level of interest rates, the Group does not recognize a separate financial component.

✓ **Step 4: Allocation of the transaction price**

The Group allocates the transaction price to each performance obligation in proportion to the individual sale price.

✓ **Step 5: Revenue recognition when each performance obligation is satisfied**

The Group has established that the recognition of revenue according to the various performance obligations is as follows:

- ✓ In the event that the client can use the standard software before the start of the implementation phase: the license sale is recognized at a “point in time”, i.e. upon delivery, and the implementation service is recognized “over time”, i.e. based on progress.
- ✓ In the case of a complex installation (the development and/or implementation services are considered to be decisive or when the transaction involves a significant modification of the software package): the license sale, integration service and maintenance are recognized “over time” since the client simultaneously receives and consumes the benefits of the maintenance.
- ✓ The sale of consulting is recognized “over time”, or on a cost plus basis.
- ✓ The sale of additional users is recognized at a “point in time”, i.e. upon delivery.
- ✓ Maintenance and support are recognized “over time” (fixed amount spread over the duration of the contract).
- ✓ The ASP is recognized “over time”.

Lastly, the Linedata Group has chosen not to use the two simplification measures provided for in IFRS 15 concerning contracts with an initial term of less than one year and the "performance obligations", which are recognized according to the "rights to invoice" method to determine the level of the order book presented.

4.1.1 Year ended December 31, 2020

(in € thousands)	Asset Management	Lending & Leasing	Other Activities	Total Group
ASP / Managed Services	37 812	3 840	1 868	43 520
Maintenance and support	20 966	31 358	1 694	54 018
Recurring licenses	29 680	755	-	30 435
Recurring revenue	**88 458**	**35 953**	**3 562**	**127 973**
Implementation, Consulting and Services	15 763	12 191	1 012	28 966
Perpetual licenses	270	3 249	555	4 074
Non-recurring revenue	**16 033**	**15 440**	**1 567**	**33 040**
REVENUE	**104 491**	**51 393**	**5 129**	**161 013**

4.1.2 Year ended December 31, 2021

(in € thousands)	Asset Management	Lending & Leasing	Other Activities	Total Group
ASP / Managed Services	37 999	4 995	2 403	45 397
Maintenance and support	20 515	31 807	1 182	53 503
Recurring licenses	25 555	666	0	26 220
Recurring revenue	**84 068**	**37 467**	**3 585**	**125 121**
Implementation, Consulting and Services	16 516	13 879	821	31 216
Perpetual licenses	1 668	1 078	1 113	3 860
Non-recurring revenue	**18 184**	**14 957**	**1 934**	**35 076**
REVENUE	**102 252**	**52 425**	**5 519**	**160 196**

In 2021, the Group generated 78,1 % of its revenue in the form of recurring services compared to 79 % in 2020.

The order book corresponding to the revenue still to be recognized in respect of performance obligations not yet executed or partially executed on the closing date is presented below as at 31 December 2021:

(in € thousands)	Asset Management	Lending & Leasing	Other Activities	Total Group
ASP / Managed Services	36 881	10 809	1 041	48 731
Maintenance and support	38 465	47 653	1 248	87 365
Recurring licenses	35 217	1 341	-	36 558
Recurring activity	**110 563**	**59 803**	**2 289**	**172 655**
Implementation, Consulting and Services	7 251	5 282	535	13 068
Perpetual licenses	1 427	520	-	1 947
Non-recurring activity	**8 678**	**5 802**	**535**	**15 014**
ORDER BOOK	**119 241**	**65 605**	**2 824**	**187 669**

At 31 December 2021, the order book stood at €187,7 million and corresponds to the performance obligations that the Group expects to execute and recognize as revenue for the 2022 to 2028 financial years.

5.2. Contract assets and liabilities

For a given contract, the cumulative amount of revenue recognized in respect of all contract performance obligations, less any payments received and trade receivables that are recognized separately, is presented within “Contract assets” if the balance is positive or “Contract liabilities” if the balance is negative.

Changes in net contract assets (liabilities) are shown below:

(in € thousands)	Contract assets (Customer receivables -gross value)	Contract liabilities (Deferred revenue)	Net contract assets (liabilities)
Balance 12/31/2020	**36 925**	**(11 728)**	**25 197**
Increase	159 066	(4 739)	154 327
Decrease	(157 608)	1 295	(156 312)
Foreign currency translation adjustments	489	(866)	(377)
BALANCE 12/31/2021	**38 873**	**(16 038)**	**22 835**

Linedata records payments from clients based on a plan for discharging receivables in accordance with the contracts.
Contract assets relate to performance obligations to be exercised in the following financial year in accordance with the contracts.

Contract liabilities relate to clients payments received in advance of the realisation of performance obligations.
Contract liabilities are recorded in revenue as soon as the performance obligations are realised in accordance with the client contracts.

5.3. Trade and other receivables

Trade and other receivables are shown below:

(in € thousands)	31/12/2020	31/12/2021
Trade receivables, gross	36 925	38 873
Impairment of trade receivables	(1 044)	(1 463)
Trade receivables, net	**35 881**	**37 410**
Staff and social organisations	507	682
Tax receivables	2 564	2 477
Loans, sureties and other financial receivables due in less than one year	26	27
Other receivables & Miscellaneous receivables	800	856
Prepaid expenses	3 681	4 058
Other operating receivables, net	**7 578**	**8 100**
TRADE & OTHER RECEIVABLES	**43 458**	**45 510**

Trade receivables are monitored regularly by the management. The Group conducted a review of its portfolio of past due receivables to calculate the necessary impairment based on its best estimate of anticipated recovery.
This analysis has been done in coherence with IFRS 9.

(in € thousands)	31/12/2020	31/12/2021
Accumulated impairment losses on trade receivables as of January 1	**892**	**1 044**
Impairment losses	704	1 030
Reversals used	(266)	(556)
Reversals not used	(248)	(93)
Reversals to opening reserves following the application of IFRS 9 on 1 January	-	8
Foreign currency translation adjustments	(38)	30
ACCUMULATED IMPAIRMENT LOSSES ON TRADE RECEIVABLES AS OF DECEMBER 31	**1 044**	**1 463**

5.4. Current operating liabilities and other payables

(in € thousands)	31/12/2020	31/12/2021
Trade payables	7 467	9 186
Amount due on fixed assets in less than one year	207	250
Tax and social security liabilities	15 643	15 800
Employee profit-sharing and incentive bonuses	348	957
Other liabilities	1 731	734
Deferred income	11 728	16 038
CURRENT OPERATING LIABILITIES & OTHER PAYABLES	**37 124**	**42 965**

Other debts are mainly composed of assets to be established with customers.

5.5. Other non-current assets and liabilities

(in € thousands)	31/12/2020	31/12/2021
Gross amount	423	16
Provision for impairment losses	-	-
OTHER NON-CURRENT ASSETS	**423**	**16**

As of 12/31/2020, other non-current assets corresponded to the research tax receivable in North America, settled in 2021.

(in € thousands)	31/12/2020	31/12/2021
Amount due on fixed assets - non-current	-	-
Other non-current liabilities	777	753
OTHER NON-CURRENT LIABILITIES	**777**	**753**

As of December 31, 2021, other non-current debt includes €0.5 million in advances relating to research tax credits on capitalized projects, compared to €0.3 million in the previous financial year. As of December 31, 2020, other non-current debts also corresponded to a delay in the payment of social debts, which will be paid in December 2022 for €0.4 million.

5.6. Purchases and external expenses

(in € thousands)	31/12/2020		31/12/2021	
Sub-contracting purchased: telecom, telematics and publishing	(9 867)	33.3%	(11 146)	34.3%
Other purchases	(980)	3.3%	(1 109)	3.4%
Property and other rental expenses	(523)	1.8%	(684)	2.1%
maintenance, upkeep and repair	(6 070)	20.5%	(5 666)	17.4%
Temporary employees, service providers and sub-contracting	(5 146)	17.4%	(5 077)	15.6%
Capitalized development costs	775	(2.6%)	242	(0.7%)
Professional fees and insurance	(4 218)	14.2%	(5 130)	15.8%
Traveling and transportation expenses	(807)	2.7%	(466)	1.4%
Telecommunication and postage	(739)	2.5%	(712)	2.2%
Bank charges	(162)	0.5%	(227)	0.7%
Other external expenses	(1 918)	6.5%	(2 559)	7.9%
PURCHASES & EXTERNAL EXPENSES	**(29 655)**	**100.0%**	**(32 534)**	**100.0%**

Rental charges relate to rentals that do not fall within the scope of IFRS16, as well as rental charges on real estate contracts.

5.7. Other recurring operating income and expenses

(in € thousands)	31/12/2020	31/12/2021
Operating foreign currency translation profit	16	(33)
Royalties	(863)	(758)
Losses on irrecoverable receivables	(273)	(550)
Attendance fees	(68)	(68)
Other recurring operating income and expenses	(53)	(351)
OTHER RECURRING OPERATING INCOME (EXPENSES)	**(1 241)**	**(1 760)**

5.8. Other operating income and expenses

(in € thousands)	31/12/2020	31/12/2021
Gains and losses on disposals of intangible assets and property, plant and equipment	(2)	-
Other non-recurring income	110	9
Other non-recurring expenses	(955)	(981)
OTHER OPERATING INCOME (EXPENSES)	**(847)**	**(972)**

Since 2019, Linedata has been deploying a charitable corporate project, “Linedata Charity”. This is how it retained three main areas of intervention: Environment, Education, and Health. With regard to Education more specifically, Linedata is participating in the construction of a medical university in Uganda, with the sponsorship of AKU (Aga Khan University), through the financing of the university residence. With this initiative, Linedata aims to facilitate access to knowledge for Ugandan students, who in turn will participate in the development of their country. This project includes the creation of an internal solidarity fund, fed each year from the results of Linedata's operational activity. The governance of this fund is ensured by an internal committee, which defines the main orientations, votes its budget and monitors the use of subsidies.

As of December 31, 2020 as of December 31, 2021, other non-current operating expenses are mainly composed of a charge of €0.9 million to finance this Charity project.

This is a non-binding agreement; the annual payment of a sum of 1 MUSD until the year 2026 inclusive (i.e. 8 years) being subject to prior authorization by the Board of Directors of the Company. The Board of Directors gave its authorization on December 7, 2021.

In 2020, other non-current operating expenses and income also consist of expenses incurred in the context of water damage and insurance reimbursements relating to this water damage.

5.9. Reconciliation of the net change in the WCR with the consolidated statement of cash flows

The effect on cash generation of the change in working capital requirements (“WCR”) recorded on the balance sheet, corresponding to a cash inflow (excluding corporate tax) of -€1,433 thousand, explains as follows:

(in € thousands)	31/12/2020	31/12/2021	Net Change	Change with no cash effect		Cash impact
				Change	Other	Items WCR
Trade receivables - net	35 881	37 410	1 529	1 387	(9)	151
Staff and social organisations	507	682	175	45	-	130
Tax receivables	2 564	2 477	(87)	52	-	(139)
Other receivables & Miscellaneous receivables	800	856	56	5	(786)	837
Prepaid expenses	3 681	4 058	377	202	-	175
Other non-current assets	423	16	(407)	14	-	(421)
Total asset	**43 855**	**45 498**	**1 643**	**1 706**	**(795)**	**732**
Trade payables	7 467	9 186	1 719	367	(1 075)	2 427
Tax and social security liabilities	15 643	15 800	157	496	248	(587)
Employee profit-sharing and incentive bonuses	348	957	609	-	-	609
Other liabilities	1 731	734	(997)	2 905	-	(3 902)
Deferred income	11 728	16 038	4 310	867	-	3 443
Other non-current liabilities	777	753	(24)	49	(248)	175
Total liability	**37 695**	**43 469**	**5 774**	**4 684**	**(1 075)**	**2 165**
TOTAL WCR	**6 160**	**2 029**	**(4 131)**	**(2 978)**	**280**	**(1 433)**

5.10. Transactions with other related parties

The Group’s related parties are the companies over which the Group has significant influence or which are not consolidated, companies that have one of the Group’s directors as a director, and the Group’s senior management.
To determine the transactions carried out with related parties, a review of contracts is carried out covering those entered into with related parties before the start of the year and all contract entered into during the year.

(in € thousands)	31/12/2020	31/12/2021
Linedata Services' transactions with Amanaat	**-**	**-**
Receivables due from related parties	-	25
Revenue	15	24

Linedata Services signed an administrative and financial services contract with its parent company, Amanaat, at the end of December 2015.
In addition, Linedata Services signed a service contract on December 11, 2017 with Odigo Consulting LLC, whose President is Ms. Shabrina Jiva, member of the Board of Directors of Linedata Services. No expense was recorded under this contract.
Re-invoicing with related parties is carried out under market conditions. There is no collateral received for receivables with related parties.

5.11. Fees payable to the statutory auditors

Fees payable to the statutory auditors and members of their networks recognised in 2020 by Linedata Services, together with its fully consolidated subsidiaries, are as follows:

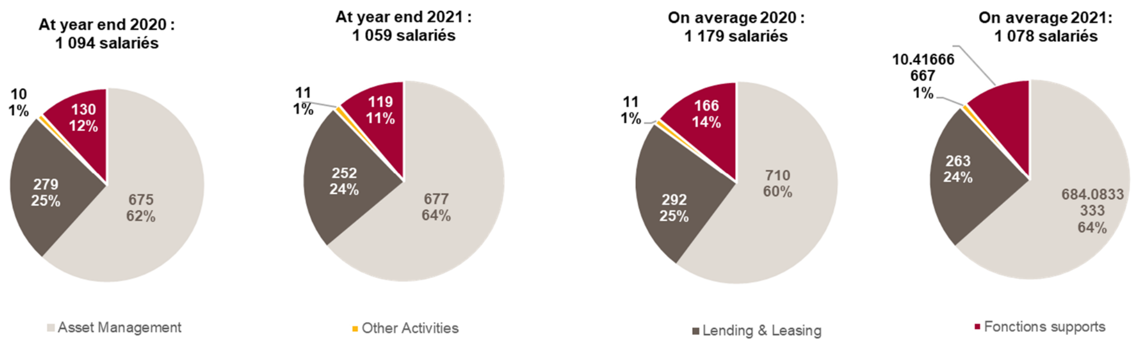
(in € thousands)	ERNST & YOUNG & Others		FINEXSI Audit	
	Amount	%	Amount	%
Certification of the company and consolidated financial statements and review	350	86.1%	151	99.0%
Services other than certification of the company financial statements	57	13.9%	2	1.0%
FEES PAYABLE TO THE STATUTORY AUDITORS	**406**	**100.0%**	**153**	**100.0%**

Services other than certification of the financial statements relate to certifications in respect of bank covenants provided in connection with Linedata Services’ bank borrowings and bonds.

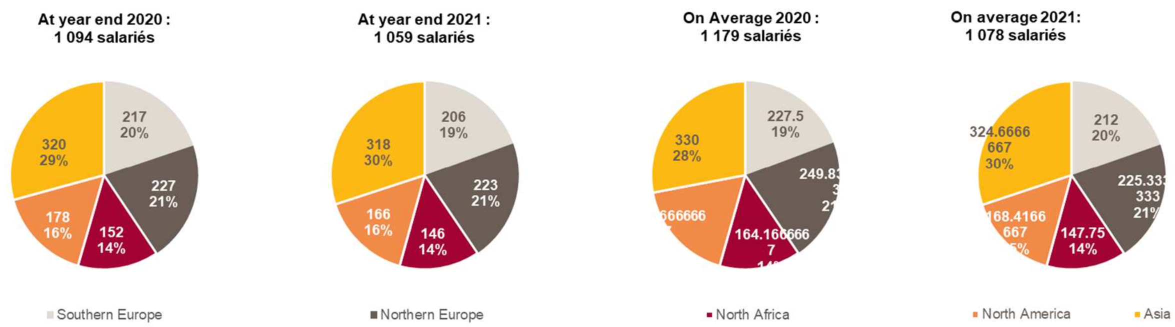
NOTE 6 EMPLOYEE EXPENSES AND BENEFITS

6.1. Worforce

6.1.1. Workforce by segment



6.1.2. Workforce by geographical area



6.2. Employee expenses

(in € thousands)	31/12/2020	31/12/2021
Salaries and wages	(69 088)	(62 568)
Social security contributions	(16 502)	(14 351)
Employee profit-sharing and incentive bonuses	(348)	(967)
Share-based compensation	12	-
Net additions to (reversals of) provisions for retirement benefit obligations	(167)	(287)
Capitalized development costs	7 214	7 255
Research tax credit	719	767
EMPLOYEE EXPENSES	**(78 160)**	**(70 151)**

The decrease in personnel costs for €8 million is linked to the savings plan carried out from the second half of 2020 and the transfer of activity from the IT department at the end of 2020 as part of outsourcing.

6.3. Provisions for retirement and other post-employment benefits

In accordance with the laws and practices of each country, the Group offers certain benefits that guarantee to the employees fulfilling the required conditions the payment of retirement benefits or lump-sum payments to which they are entitled as a result of their length of service (long-service award plan). These plans, known as defined benefit plans, relate mainly to France.

The costs associated with defined benefit plans are born directly by the Group, which recognizes provisions in its financial statements for the cost of benefits to be provided in accordance with the procedures detailed below.

The Group uses the projected unit credit method to determine the value of its obligation in respect of defined benefits: this method stipulates that each period of service gives rise to an additional unit in terms of benefit entitlement and that each unit is assessed separately so as to calculate the final obligation.

These calculations include various actuarial assumptions such as the employee's expected length of service, the level of future compensation, life expectancy and employee turnover.

The commitment thus calculated is discounted at the interest rate applicable to investment-grade corporate bonds, denominated in the payment currency and whose term is close to the estimated average term of the retirement obligation concerned.

Changes in these estimates and assumptions are likely to result in a significant change in the amount of the commitment.

The amount of the provision set aside in respect of retirement benefit and similar obligations corresponds to the discounted value of the obligation in respect of defined benefits. The actuarial differences resulting from the change in the value of the discounted obligation in respect of the defined benefits include both the effects of the differences between the former actuarial assumptions and the actual amounts, and the effects of changes in the actuarial assumptions.

In France and Tunisia, defined benefit plans concern the payment of retirement benefits. Gravitas Technology Private Limited is subject to a pension scheme in accordance with India's Payment of Gratuity Act of 1972.

Commitments are valued taking into account the IFRS IC standard with no significant impact for the Group.

6.3.1. Actuarial assuptions actuarielles en France

	31/12/2020	31/12/2021
Discount rate for retirement benefits	0.30%	0.98%
Discount rate for long-service awards	0.00%	0.44%
Rate of future salary increases	3,00%	3,00%
Actuarial life table	TG H/F 2005	TG H/F 2005
Retirement age:	-	-
Managers born before 01/01/1950	64 Years	64 Years
Managers born after 01/01/1950	66 Years	66 Years
Other employees born before 01/01/1950	62 Years	62 Years
Other employees born after 01/01/1950	64 Years	64 Years

Turnover	31/12/2020	31/12/2021
Before 25 years	Between 18% & 25%	Between 18% & 25%
25 to 29 years	Between 13% & 17%	Between 13% & 17%
30 to 34 years	Between 9% & 12%	Between 9% & 12%
35 to 39 years	Between 6% & 8%	Between 6% & 8%
40 to 44 years	Between 4% & 6%	Between 4% & 6%
45 to 49 years	Between 2% & 4%	Between 2% & 4%
50 years and over	< 2%	< 2%

Commitments are discounted using a discount rate corresponding to the rate of return on first-class European private bonds (AA) and of the same duration as that of the commitments. The Group uses the rates of the iBoxx index of the "International Index Company" for "Corporate Bonds AA".
The rates used as of December 31, 2021 are close to:

- ✓ 0.98% by reference to the iBoxx € Corporates AA 10+ indices for retirement benefits,
- ✓ 0.44% by reference to the iBoxx € Corporates AA 7-10 indices for long service awards.

The rates of social charges used for the valuation of commitments in respect of retirement indemnities and long-service awards in France are between 50.11% and 53.38% depending on the rates observed by each of the companies.

6.3.2. Change in the provisions

(in € thousands)	Retirement benefits - France	Retirement benefits - Tunisia & India	Long-service awards	12/31/2020	Retirement benefits - France	Retirement benefits - Tunisia & India	Long-service awards	31/12/2021
Provision as of January 1	**7 545**	**241**	**430**	**8 216**	**7 590**	**373**	**408**	**8 371**
Changes in Group structure	-	-	-	-	-	-	-	-
Change in actuarial gains and losses	(39)	-	-	(39)	(1 030)	-	-	(1 030)
Benefits paid to employees	(401)	-	(29)	(430)	(258)	-	(26)	(284)
Foreign currency translation adjustments	-	(27)	-	(27)	-	18	-	18
Expense for the year	485	159	7	651	437	103	(6)	534
Cost of services rendered	*428*	*176*	*32*	*636*	*414*	*103*	*29*	*546*
Interest expense	*57*	-	*2*	*59*	*23*	-	-	*23*
Amortization of actuarial gains and losses	-	-	*(27)*	*(27)*	-	-	*(35)*	*(35)*
Others (transfers/reversals)	-	*(17)*	-	*(17)*	-	-	-	-
PROVISION AS OF DECEMBER 31	**7 590**	**373**	**408**	**8 371**	**6 739**	**494**	**376**	**7 609**

Recognized actuarial differences include differences in experience, the effects of changes in actuarial assumptions and the effects of differences between the actuarial assumptions used and what actually happened.
The actuarial gain recognized for the 2021 financial year of €1 030 thousand results from a gain of €378 thousand in differences in experience and a loss of €653 thousand in differences in assumptions, mainly linked to changes discount rates.

On pension liabilities in France, a change of +/- 0.25 point in the discount rate would result in a change in commitments of €-198 thousand / €+206 thousand. The impact of variations in discount rates for other countries is immaterial at group level.

The breakdown by maturity of the commitment in respect of retirement benefits in France is as follows:

(in € thousands)	31/12/2020	31/12/2021
Present value of theoretical services to be paid by the employer:		
Due within one year	65	29
1 to 5 years	1 188	997
5 to 10 years	2 563	2 442
More than 10 years	3 774	3 271
TOTAL COMMITMENT	**7 590**	**6 739**

5.1. Remuneration of senior management (related parties)

The Group's main corporate officers comprise the Chief Executive Officer, members of the Board of Directors and members of the Executive Committee.

The Combined Annual General Meeting of April 27, 2017 approved directors' attendance fees of €200 thousand, to be divided between the members of the Board of Directors.

Post-employment benefits correspond to contractual retirement benefits. No commitments exist with regard to the management concerning post-employment or other long-term benefits.

The amounts presented in the following table correspond to the amounts paid over the period:

(in € thousands)	31/12/2020	31/12/2021
Short-term benefits	3 417	3 468
Termination benefits	143	-
REMUNERATION OF SENIOR MANAGEMENT	**3 560**	**3 468**

NOTE 7 GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

7.1. Goodwills

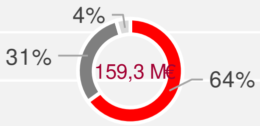
Goodwill is initially recognized at the time of a business combination as described in Note 3.1.3.

Subsequent to its initial recognition, this goodwill is not amortized but is tested for impairment as soon as there are indications of impairment and at least once a year. The procedures used to carry out the impairment tests in 2021 are described in Note 7.5.

Goodwill changed as follows :

(in € thousands)	Gross amount	Accumulated impairment losses	Net carrying amount
As of 12/31/2020	**167 011**	**(15 840)**	**151 171**
Foreign currency translation adjustments	8 380	(298)	8 082
As of 12/31/2021	**175 391**	**(16 139)**	**159 253**

The breakdown of goodwill by segment is as follows:



(in € thousands)	31/12/2020	31/12/2021
Asset Management	97 032	103 542
Lending & Leasing	47 150	48 722
Insurance/Pension Funds	6 989	6 989
GOODWILL, NET	**151 171**	**159 253**

7.2. Intangible assets

Separately acquired intangible assets
These assets correspond to purchased software recognized at acquisition cost. They are amortized on a straight-line basis over a period of one to ten years in accordance with their estimated useful lives.

Intangible assets acquired as part of a business combination
The main components of this category are software and customer base measured at their fair value in connection with the allocation of the acquisition price of entities acquired as part of a business combination. These assets are amortized on a straight-line basis over eight years in accordance with their estimated useful lives.

Internally-generated intangible assets
Pursuant to IAS 38 "*Intangible Assets*":

- ✓ research costs are recognized as an expense in the period in which they are incurred,
- ✓ software development costs are recognized as an intangible asset if the Group can demonstrate the following :
  - ✓ the technical feasibility of completing development of the software so that it will be available for use or sale,
  - ✓ its intention to complete development of the software and use or sell it,
  - ✓ its ability to use or sell the software,
  - ✓ how the software will generate probable future economic benefits,
  - ✓ the availability of adequate technical, financial and other resources to complete development and to use or sell the software,
  - ✓ its ability to measure reliably the expenditure attributable to the software during its development.

Fulfillment of these criteria is determined on a product-by-product basis. Software development costs that cannot be capitalized are immediately expensed.

These assets are amortized on a straight-line basis over five years in accordance with their estimated useful lives, which are reviewed at each reporting date. The useful life is estimated based on projections of the expected future economic benefits of developments made.

Intangible assets changed as follows:

(in € thousands)	Purchased Software	Development costs	Customer relationships	Other intangible assets	INTANGIBLE ASSETS
Gross amount as of 12/31/2020	**54 167**	**52 281**	**19 025**	**11**	**125 484**
Acquisitions	36	7 526	-	-	7 562
Other movements	(29)	-	-	-	(29)
Foreign currency translation adjustments	2 553	3 021	1 495	-	7 069
GROSS AMOUNT AS OF 12/31/2021	**56 727**	**62 828**	**20 520**	**11**	**140 086**

Acquisitions are mainly related to development costs relating to the AMP (Asset Management Platform) and Alchemy projects. Linedata AMP (Linedata Asset Management Platform) is a market-leading cloud-based asset management platform that provides asset managers with instant and continuous access via the cloud to the software, data and services they need to accelerate the transformation of their operating model. The net book value of the AMP project is €21 million as of December 31, 2021.
Research and development costs are €15.6 million (before capitalization) in 2021, representing 9.7% of revenue in 2021, down slightly compared to 2020 when they represented 11% of revenue , i.e. €17.6 million (before capitalisation).

(in € thousands)	Purchased Software	Development costs	Customer relationships	Other intangible assets	INTANGIBLE ASSETS
Accumulated amortization as of 12/31/2020	**(51 224)**	**(29 991)**	**(18 067)**	**(11)**	**(99 293)**
Amortization expense	(1 853)	(2 915)	(484)	-	(5 252)
Other movements	-	-	-	-	-
Foreign currency translation adjustments	(2 430)	(1 226)	(1 439)	-	(5 095)
ACCUMULATED AMORTIZATION AS OF 12/31/2021	**(55 507)**	**(34 132)**	**(19 990)**	**(11)**	**(109 640)**

(in € thousands)	Purchased Software	Development costs	Customer relationships	Other intangible assets	INTANGIBLE ASSETS
Net amount as of 12/31/2020	**2 943**	**22 290**	**958**	**-**	**26 191**
NET AMOUNT AS OF 12/31/2021	**1 220**	**28 696**	**530**	**-**	**30 446**

7.3. Lease contracts

In accordance with IFRS 16, leases are recorded as property, plant and equipment under the right to use the leased asset. These contracts are recognized at the start of the contract for the discounted value of the minimum lease payments against a liability corresponding to the lease liabilities due to the lessor.

Restatements relate to operating leases and finance leases for offices and vehicles.
These fixed assets are depreciated on a straight-line basis over the duration of the lease, which corresponds to the non-cancellable period of each contract, unless the Group is reasonably certain to exercise the renewal options provided for contractually. The group takes into account the amortization period of immovable fixtures when determining the enforceable term of a lease.

The Group applies the simplifying measures provided for by the standard concerning the exclusion of contracts of less than one year and contracts relating to low-value assets.
The discount rates used to calculate the initial lease liabilities for each lease contract correspond to the marginal debt rates estimated by management for the leased assets. These rates are differentiated (i) by country and (ii) by term of residual lease of the contract.(iii) A differentiation by asset category is also made
The discount rates are between 1% and 8% and are recalculated according to the maturity of the restated contract and the country risk for each new contract.

The duration used in the valuation of these rental commitments corresponds to the non-cancellable period plus, where applicable, periods subject to renewal options, if and only if the exercise of these options is “reasonably certain”. The most distant deadlines extend up to November 2030.

The evolution of the rights of use IFRS 16 is analyzed below :

(in € thousands)	Land, Buildings	car fleets	TOTAL
GROSS AMOUNT AS OF 12/31/2020 published	**23 317**	**179**	**23 496**
Leasing	13 434	-	13 434
GROSS AMOUNT AS OF 12/31/2020 with leasing	**36 751**	**179**	**36 930**
Increase in user fees	5 128	114	5 242
Changes to rental contracts	-	-	-
End of rental contracts	(2 801)	(75)	(2 876)
Other movements	-	-	-
Foreign currency translation adjustments	1 588	-	1 588
GROSS AMOUNT AS OF 12/31/2021	**40 666**	**218**	**40 884**
AMORTIZATION AS OF 12/31/2020 published	**(7 610)**	**(91)**	**(7 701)**
Leasing	(2 294)	-	(2 293)
AMORTIZATION AS OF 12/31/2020 with leasing	**(9 904)**	**(91)**	**(9 994)**
Amortization expense	(5 036)	(70)	(5 106)
End of rental contracts	2 801	75	2 876
Other movements	-	-	-
Foreign currency translation adjustments	(545)	-	(545)
ACCUMULATED AMORTIZATION AS OF 12/31/2021	**(12 684)**	**(86)**	**(12 769)**
NET AMOUNT AS OF 12/31/2021	**27 981**	**132**	**28 114**

* The 2020 financial data published is restated for the leasing of the head office premises. In application of IFRS 16, this financial lease now appears on the line “Right of use IFRS 16”

The increase in rights of use is explained in the amount of €5,242 thousand and is explained in particular by the following elements:

Arcueil: The Group has defined a new strategy for the rationalization of premises, in line with its current needs and has thus decided not to renew the leases for the city of Arcueil in France concluded by LDS AM and LDS LC at the end of their term. which expired on July 9, 2021.
The Group entered into a lease which took effect on November 1, 2021 for new premises in Arcueil for a period of 6 years which gave rise to the recognition of a right of use in the amount of €3,605 thousand. The Group continued to occupy the initial premises under a precarious lease in the continuity of the lease previously entered into by LDS LC for a period of 6 months until December 31, 2021, with the same financial conditions and the same lessor than previously. This precarious lease is restated. The move into the new premises took place in January 2022 following the completion of the fitting-out works.

Hong-Kong: A new lease was also signed in Hong-Kong leading to the recognition of a right of use for €1,126 thousand.

The right to use the New York premises is reduced by an additional allocation relating to the loss related to the subletting of a floor from the 2021 financial year.

The breakdown by maturity of IFRS 16 lease debts is as follows:

(in € thousands)	31/12/2020 *	31/12/2021
Due on 31/12/2021	4 928	-
Due on 31/12/2022	3 834	4 499
Due on 31/12/2023	3 379	3 977
Due on 31/12/2024	3 111	4 541
Due on 31/12/2025 and after	9 449	3 372
Due on 31/12/2026 and after	-	9 133
TOTAL	**24 701**	**25 523**

* The published 2020 financial data is restated for the leasing of head office premises. In application of IFRS 16, this financial lease now appears on the line “Right of use IFRS 16”

7.4. Property, plant and equipment

Property, plant and equipment are recognized at their acquisition cost excluding financial expenses, less accumulated depreciation and any impairment losses. They have not been revalued.

Depreciation is calculated using the straight-line method and the expected useful lives of the various categories of property, plant and equipment:

- ✓ buildings 5 to 20 years
- ✓ improvements 5 to 20 years
- ✓ equipment and tools 2 to 5 years
- ✓ office furniture and equipment 2 to 5 years

Property, plant and equipment changed as follows:

(in € thousands)	Land, Buildings (including right of use IFRS 16)	Fixtures, furniture & other equipment	Computer hardware	PROPERTY, PLANT AND EQUIPMENT
Gross amount as of 12/31/2020 published	**40 022**	**15 681**	**34 481**	**90 184**
including IFRS 16 right of use and finance lease	36 751	179	-	36 930
Gross amount as of 12/31/2020 excluding IFRS 16 and Leasing	**3 271**	**15 502**	**34 481**	**53 254**
Changes in Group structure	-	-	-	-
Acquisitions	-	521	1 438	1 959
Disposals	-	(1 087)	-	(1 087)
Other movements	-	36	-	36
Foreign currency translation adjustments	40	616	2 010	2 666
GROSS AMOUNT AS OF 12/31/2021	**3 311**	**15 588**	**37 929**	**56 828**

(in € thousands)	Land, Buildings (including right of use IFRS 16)	Fixtures, furniture & other equipment	Computer hardware	PROPERTY, PLANT AND EQUIPMENT
Accumulated amortization as of 12/31/2020 published	**(10 918)**	**(11 241)**	**(30 641)**	**(52 800)**
including IFRS 16 right of use and finance lease	**(9 903)**	**(91)**	**-**	**(9 994)**
Accumulated amortization as of 12/31/2020 excluding IFRS 16 and Leasing	**(1 015)**	**(11 150)**	**(30 641)**	**(42 806)**
Changes in Group structure	-	-	-	-
Amortization expense	(224)	(1 018)	(2 149)	(3 391)
Reversal of amortization expense	-	1 087	-	1 087
Other movements	-	(7)	7	-
Foreign currency translation adjustments	(28)	(490)	(1 802)	(2 320)
ACCUM. AMORTIZATION AS OF 12/31/2021	**(1 266)**	**(11 578)**	**(34 585)**	**(47 429)**

(in € thousands)	Land, Buildings (including right of use IFRS 16)	Fixtures, furniture & other equipment	Computer hardware	PROPERTY, PLANT AND EQUIPMENT
Net amount as of 12/31/2020	**2 254**	**4 352**	**3 840**	**10 446**
NET AMOUNT AS OF 12/31/2021	**2 043**	**4 010**	**3 347**	**9 400**

Investments mainly concern servers, IT and office automation equipment as well as work on premises in Arceuil, France.

7.5. Impairment of assets

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment as soon as there are objective indications of impairment. Goodwill and intangible assets not yet ready to be brought into service are tested for impairment as soon as there are indications of impairment and systematically at December 31, the Company's reporting date.

Impairment tests are carried out at the level of the cash generating units (CGUs) to which the assets are allocated. The CGUs are operational entities generating independent cash flows.

The CGUs adopted by the Group correspond to the following business segments:
- ✓ Asset Management,
- ✓ Lending & Leasing,
- ✓ Others, including Employee Savings and Insurance and Pension Funds.

The impairment tests involve comparing the carrying amount of the CGUs with their recoverable amount. A CGU's recoverable amount is the higher of its fair value (generally its market value) less costs to sell and its value in use.

A CGU's value in use is determined using the discounted cash flow method, incorporating the following cash flows:
- ✓ cash flows for a plan period of five years, with cash flows for the first year based on the budget, (in 2020, the budget was revised taking into account the effects of Covid-19),
- ✓ cash flows beyond the five-year plan period, which are calculated by applying a perpetual growth rate.

Cash flows are discounted using an average discount rate equal to:
- ✓ the ten-year risk-free money rate,
- ✓ plus the market risk premium adjusted by a risk coefficient specific to the asset or CGU.

If the CGU's carrying amount exceeds its recoverable amount, an impairment loss is recognized to reduce the assets' carrying amount to their recoverable amount. The impairment loss is allocated first to reduce the carrying amount of the goodwill and recorded in profit or loss under *"Other operating expenses"*. The reversal of impairment losses on goodwill in respect of fully-consolidated subsidiaries is prohibited. The reversal of impairment losses on property, plant and equipment and intangible assets (excluding goodwill) is permitted, up to the limit of the impairment loss initially recognized, if the recoverable amount subsequently becomes higher than carrying amount.

7.5.1. Impairment testing procedures

The tests were carried out in accordance with the following assumptions:

- ✓ the forecasts used were based on past experience, the order books and products under development,
- ✓ the growth rate to infinity was calculated at 1.5%. This rate, which is identical to that used for previous exercises, is in line with the average long-term growth rate in the Group's business sector;
- ✓ the discount rate calculated is 9% after tax (compared to 10% for previous years). The main components of the weighted average cost of capital are a market risk premium down 1 point, a risk-free rate corresponding to an average of the interest rates of high-maturity government bonds, a beta calculated on the basis of a sample of companies in the sector, down 0.2 points.
- ✓ the tax rate is differentiated by CGU by applying an effective tax rate that is weighted according to the revenue generated by geographic region.

The key assumptions about the growth rate to infinity and the discount rate are identical for each CGU to which goodwill is allocated insofar as the business and financial risks of the CGUs used present common characteristics due to:
- ✓ the identical profile of their clients, made up of large companies, banking or financial institutions with an immaterial credit risk;
- ✓ the geographic regions in which the Group operates, which have a limited risk profile and similar growth criteria.

The tests carried out in respect of the business segments indicated that there was no need to recognize any impairment losses in goodwill for the year ended December 31, 2021.

7.5.2. Sensitivity of goodwill impairment tests

The margin for testing, which corresponds to the difference between the value in use and the carrying amount, as well as the impacts of changes in the key assumptions on this margin, are shown separately for each business segment in the following table:

(in € millions)	Asset Management	Lending & Leasing	Other Activities
Difference between value in use and carrying amount	**108.0**	**86.8**	**12.3**
Impact on recoverable amount in the event of :	-	-	-
a 1-point increase in the discount rate	(27.9)	(18.5)	(2.1)
a 0.5-point fall in the perpetual growth rate	(10.4)	(6.9)	(0.8)
Combination of the two factors	**(35.7)**	**(23.7)**	**(2.7)**
5% turnover decrease & 10% EBITDA decrease	(32.2)	(18.5)	2.0
Combination of the three factors	**(63.0)**	**(39.3)**	**(4.4)**

NOTE 8 OTHER PROVISIONS AND CONTINGENT LIABILITIES

8.1. Other provisions

A provision is recognized when:

- ✓ the Group has a legal, contractual or constructive obligation resulting from a past event,
- ✓ it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- ✓ the amount of the obligation can be measured reliably .

Provisions are measured in accordance with IAS 37 based on the most probable assumptions.

Changes in the provisions were as follows:

(in € thousands)	Provisions for legal proceedings	Other provisions	PROVISIONS
PROVISION AS OF 12/31/2020	**343**	**-**	**343**
Reversals - provision used	(38)	-	(38)
Reversals - provision not used	-	-	-
Effect of conversion and other variations	0	-	0
PROVISION AS OF 12/31/2021	**305**	**-**	**305**
Of which non-current provisions	82	-	82
Of which current provisions	223	-	223

Provisions for litigation mainly cover commercial litigation.

The pending litigation has been analyzed. Where applicable, these disputes have given rise to the establishment of a provision estimated by Group Management on the basis of facts and circumstances, in accordance with IAS 37. The residual uncertainty inherent in any dispute could not have an material impact on the profit or loss.

8.2. Contingent liabilities

In contrast to the above definition of a provision, a contingent liability is:

- ✓ a possible obligation arising from a past event whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain event not within the Group's control, or
- ✓ a present obligation arising from a past event for which either the amount of the obligation cannot be measured reliably or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation

The Group has not identified any contingent liabilities.

NOTE 9 FINANCING AND FINANCIAL INSTRUMENTS

9.1. Financial assets and liabilities

The main components of financial assets and liabilities are:

- ✓ long-term financial liabilities, short-term loans and bank overdrafts that make up the Group's gross debt (see Note 9.1.2)
- ✓ loans and other long-term financial assets and cash and cash equivalents that are added to the gross debt to calculate the Group's net debt (see Note 9.1.3)
- ✓ derivative financial instruments (see Note 9.1.4)
- ✓ other current and non-current financial assets and liabilities (see Note 9.1.5)

9.1.1. Fair value of financial assets and liabilities

(in € thousands)	31/12/2020		Breakdown by type of financial instrument				
	Carrying amount	Fair value	Financial assets and liabilities at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Financial liabilities at amortized cost	Derivative financial instruments
Non-current financial assets	1 176	1 176	-	-	1 176	-	-
Trade and other receivables	36 925	36 925	-	-	36 925	-	-
Cash and cash equivalents	30 180	30 180	30 180	-	-	-	-
FINANCIAL ASSETS	**68 281**	**68 281**	**30 180**	**-**	**38 101**	**-**	**-**
Non-current loans and financial liabilities	68 748	68 748	-	-	-	68 700	48
Non-current rent debts IFRS 16	19 690	19 690	-	-	-	19 690	-
Current loans and financial liabilities	20 861	20 861	-	-	-	20 861	-
current rent debts IFRS 16	5 011	5 011	-	-	-	5 011	-
Current operating liabilities	7 467	7 467	-	-	7 467	-	-
FINANCIAL LIABILITIES	**121 777**	**121 777**	**-**	**-**	**7 467**	**114 262**	**48**

(in € thousands)	31/12/2021		Breakdown by type of financial instrument				
	Carrying amount	Fair value	Financial assets and liabilities at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and other liabilities	Financial liabilities at amortized cost	Derivative financial instruments
Non-current financial assets	1 380	1 380	-	-	1 380	-	-
Trade and other receivables	38 845	38 845	-	-	38 845	-	-
Cash and cash equivalents	38 840	38 840	38 840	-	-	-	-
FINANCIAL ASSETS	**79 065**	**79 065**	**38 840**	**-**	**40 225**	**-**	**-**
Non-current loans and financial liabilities	60 448	60 448	-	-	-	60 430	18
Non-current rent debts IFRS 16	21 024	21 024	-	-	-	21 024	-
Current loans and financial liabilities	15 109	15 109	-	-	-	15 109	-
current rent debts IFRS 16	4 499	4 499	-	-	-	4 499	-
Current operating liabilities	9 156	9 156	-	-	9 156	-	-
FINANCIAL LIABILITIES	**110 236**	**110 236**	**-**	**-**	**9 156**	**101 062**	**18**

9.1.2. Gross debt

Gross debt comprises bonds and bank borrowings as well as other borrowings, short term loans and bank overdrafts.

Loans are initially recognized at their fair value, net of transaction costs incurred. Loans are subsequently recognized at their amortized cost. The amount of interest recognized in financial expenses is determined by applying the borrowing's effective interest rate to its carrying amount. The difference between the expense calculated using the effective interest rate and the coupon affects the value of the liability.
Financial liabilities hedged by interest rate swaps are generally recognized using hedge accounting.
The finance lease liabilities are recognized at the inception of each lease, the amount of which is equal to the discounted value of future lease payments.

Changes in the Group's gross debt during the financial year are broken down as follows:

(in € thousands)	12/31/2020	Changes in Group structure	Additions	Repayments	Change in fair value	Reclassification	Other variations	Foreign currency translation adjustments	12/31/2021
Bond loans	34 816	-	-	(35 000)	-	184	-	-	-
Syndicated loans	7 998	-	55 868	-	-	(14 000)	-	-	49 866
Other bank loans	25 882	-	-	-	-	(15 320)	-	-	10 562
Other financial liabilities	47	-	0	-	(60)	31	-	2	20
Non-current loans and other financial liabilities	**68 743**	**-**	**55 868**	**(35 000)**	**(60)**	**(29 105)**	**-**	**2**	**60 448**
Non-current rent debts IFRS 16 (note 7)	**19 691**	**-**	**4 695**	**-**	**30**	**(4 306)**	**-**	**914**	**21 024**
Non-current Financial debt	**88 434**	**-**	**60 563**	**(35 000)**	**(30)**	**(33 411)**	**-**	**916**	**81 472**
Bond loans	(67)	-	-	250	-	(183)	-	-	-
Syndicated loans	7 982	-	(51)	(15 979)	-	14 000	-	-	5 952
Other bank loans	12 505	-	-	(18 746)	-	15 321	-	-	9 080
Accrued interest	442	-	-	(363)	-	-	-	(3)	76
Bank overdrafts	1	-	-	-	-	-	-	-	1
Current loans and other financial liabilities	**20 863**	**-**	**(51)**	**(34 838)**	**-**	**29 138**	**-**	**(2)**	**15 109**
current rent debts IFRS 16	**5 010**	**-**	**547**	**(5 564)**	**-**	**4 275**	**-**	**230**	**4 499**
Current Financial debt	**25 873**	**-**	**496**	**(40 402)**	**-**	**33 413**	**-**	**228**	**19 608**
FINANCIAL GROSS DEBT	**114 307**	**-**	**61 059**	**(75 402)**	**(30)**	**2**	**-**	**1 144**	**101 080**

In 2021, Linedata Services took out a syndicated loan for €56 million to refinance the Group. This loan has a draw in two stages:
- As of June 15, 2021 for €44.7 million (including -€0.2 million in loan issue costs),
- As of July 26, 2021 for €11.1 million.

Linedata Services made the following reimbursements during the year:
- With regard to the refinancing of the Group:
  - €35 million on the bond issue, with a book value at amortized cost before redemption of €34.8 million,
  - €12.5 million on the BNP Paribas loan, with a book value at amortized cost before repayment of €12.4 million,
  - €16 million on the Natixis syndicated loan, with a book value at amortized cost before early redemption of €12 million and after repayment of a nominal maturity of €4 million as provided for in the contract.
- With respect to ongoing contracts and their planned amortization:
  - €6.3 million on BPI loans,
  - €5.6 million on IFRS 16 lease liabilities, including (€1.3 million on real estate leasing).

At the end of December 2021, the Group therefore had the following credit lines:

(in € thousands)	Grant date	Maturity date	Notional amount when granted	capital outstanding at 12/31/2021
Syndicated loan - BNP	Juin 2021	Juillet 2027	56 000	56 000
Bilateral credit - BPI	Juin 2017	Decembre 2022	5 000	1 000
Bilateral credit - BPI	Juillet 2017	Janvier 2023	5 000	1 250
Bilateral credit - BPI	Mai 2019	Janvier 2023	10 000	3 333
Bilateral credit - BPI	Septembre 2020	Septembre 2025	15 000	14 062
			91 000	**75 645**

The applicable banking conditions are as follows:
- the interest rate is equal to Euribor (floor at zero in the event of a negative Euribo), for syndicated loans denominated in euros, relating to the drawdown period concerned, to which is added a margin adjusted every six months depending on the leverage ratio (consolidated net debt to EBITDA excluding the impact of IFRS 16, except for the restatement of finance leases).
- the interest rate is fixed for bilateral loans contracted in June, July 2017 and September 2020
- the interest rate is equal to Euribor plus a margin for the bilateral loan contracted in May 2019.

Covenants relating to financial debts are detailed in Note 9.4.1.

9.1.3. Net debt

Net debt comprises bonds and bank borrowings, other borrowings, short term loans and bank overdrafts less cash and cash equivalents. The “Cash and cash equivalents” heading comprises cash, marketable securities and bills of exchange presented for collection whose maturity date falls before the reporting date. All of the items included under this heading qualify as cash equivalents since they are readily convertible to known amounts of cash whilst being subject to an insignificant risk of changes in value. These current financial assets, recognized at their fair value through profit or loss, are held to help the Group meet its short-term cash requirements.

(in € thousands)	31/12/2020	31/12/2021
Bond loans	34 749	-
Syndicated loans	15 980	55 818
Other bank loans	38 387	19 642
Rent debts IFRS 16	24 702	25 493
Accrued interest	442	76
Other financial liabilities	48	50
Bank overdrafts	1	1
Financial Gross Debt	**114 309**	**101 080**
Marketable securities	-	-
Cash	30 180	38 840
Cash and cash equivalents	**30 180**	**38 840**
FINANCIAL NET DEBT	**84 129**	**62 240**

9.1.4. Derivative financial instruments

The Group uses derivative financial instruments for hedging purposes, to protect itself against fluctuations in interest rates, since its medium-term borrowings are at variable rates.

Most of the derivative financial instruments used by the Group are deemed to be cash flow hedging instruments. As regards changes in the fair value of these hedging instruments, those relating to the effective portion of the hedge are recognized in equity whereas those relating to the ineffective portion (or when the hedged item is itself recognized in profit or loss) are recognized in the income statement under “*Other financial income” or “Other financial expenses”.*

In the case of derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in fair value is recognized in the income statement under “*Other financial income” or “Other financial expenses”.*

Derivative financial instruments are recognized within financial assets or liabilities by reference to their value.

9.1.5. Other financial assets and liabilities

The main components of other non-current assets and liabilities are guarantee deposits and available-for-sale financial assets. Guarantee deposits are measured at fair value with changes in fair value being recognized through profit or loss. Available-for-sale financial assets comprise investments in unconsolidated entities and are recognized initially at fair value. Any change in this fair value is subsequently recognized in other comprehensive income or in the profit or loss for the year in the event of a significant or prolonged fall in their fair value. Unrealized gains and losses recognized in other comprehensive income are recognized in profit or loss when the securities concerned are sold.

Other current financial assets and liabilities comprise trade receivables and payables, which are initially recognized at fair value and subsequently at their amortized cost, minus any impairment. The fair value of trade receivables and trade payables is considered to be the same as their face value, given their due dates for payment.

(in € thousands)	31/12/2020	31/12/2021
Deposits and sureties	1 171	1 374
Other non-current financial assets	5	6
Gross amount	**1 176**	**1 380**
Provision for impairment losses	-	-
NON-CURRENT FINANCIAL ASSETS	**1 176**	**1 380**

9.2. Financial income and expenses

Financial income and expenses comprise, on the one hand, interest income and expenses related to the cost of the net debt and, on the other hand, other financial income and expenses.

9.2.1. Net borrowing costs

Interest expenses correspond to the amount of interest recognized in respect of financial liabilities, and interest income corresponds to the amount of interest received on cash investments.

(in € thousands)	31/12/2020	31/12/2021
Income from cash and cash equivalents	5	18
Interest expense	(2 114)	(1 520)
IFRS 16 interest charges *	(601)	(615)
Gains (losses) on hedging instruments (interest rate differential)	-	-
NET BORROWING COSTS	**(2 710)**	**(2 117)**

* The 2020 financial data published is restated for the leasing of head office premises and the IFRS 16 restatement presented in 2020 in Other financial income and expenses. In application of IFRS 16, financial leasing now appears on the line “Right of use IFRS 16”

The cost of net financial debt (including IFRS 16 interest expense) amounted to €2.1 million compared to €2.7 million in 2020, this decrease is explained by a renegotiation of borrowing conditions in link with the refinancing of the Group.
Average outstanding borrowings amounted to €88.3 million in 2021, compared to €89.6 million in 2020.
The average cost of borrowings after taking hedging into account fell to 1.7% in 2021, compared to 2.4% in 2020.

9.2.2. Other financial income and expenses

(in € thousands)	31/12/2020	31/12/2021
Foreign currency translation gains	448	3 179
Other financial income	31	-
Total other financial income	**479**	**3 170**
Foreign currency translation losses	(3 036)	(552)
Allowances for provisions	-	13
Other financial expenses	1	(309)
Total other financial expenses	**(3 035)**	**(848)**
OTHER FINANCIAL INCOME (EXPENSES)	**(2 556)**	**2 322**

Foreign exchange gains and losses mainly relate to current accounts denominated in foreign currencies, mainly in US dollars.

9.3. Financial risk management policy

9.3.1. Market risks

Risque de change

Currency risk

The currency risk mainly concerns conversion of the foreign subsidiaries' financial statements. No specific hedges are in place for this risk.

The risk of fluctuations in foreign currency denominated commercial transactions is low as each entity predominantly intervenes in their country and currency.

Moreover, as part of intragroup transactions, Linedata Services is exposed to foreign exchange risk with regard to:
- ✓ short-term current commercial transactions, mainly with Group entities located outside the euro zone. These exchange rate fluctuations have no material impact on profit.

As of December 31, 2020, the net carrying amount of the assets and liabilities recorded by the Group's entities in a currency other than their operating currency was as follows:

(in € thousands)	USD	CAD	GBP	TND	HKD	MAD	INR	Total converted to EUR
Assets	140 914	5 092	37 564	6 572	79 352	4 133	391 593	174 962
Liabilities	36 838	1 749	8 828	4 146	26 136	2 729	246 223	47 964
Net position before hedging	**104 076**	**3 343**	**28 736**	**2 426**	**53 216**	**1 404**	**145 370**	**126 998**
Hedging financial instruments	-	-	-	-	-	-	-	-
NET POSITION AFTER HEDGING	**104 076**	**3 343**	**28 736**	**2 426**	**53 216**	**1 404**	**145 370**	**126 998**

The position at December 31, 2021 is as follows:

(in € thousands)	USD	CAD	GBP	TND	HKD	MAD	INR	Total converti en euros
Assets	133 871	4 688	35 175	6 521	73 673	3 979	367 878	178 401
Liabilities	29 666	(898)	5 557	5 075	33 326	7 371	320 175	42 013
Net position before hedging	**104 205**	**5 586**	**29 618**	**1 446**	**40 347**	**(3 392)**	**47 703**	**136 388**
Hedging financial instruments	-	-	-	-	-	-	-	-
NET POSITION AFTER HEDGING	**104 205**	**5 586**	**29 618**	**1 446**	**40 347**	**(3 392)**	**47 703**	**136 388**

Sensitivity analysis

A 10% drop in the parity of each of the exchange rates against the euro would have a negative impact of € (15,154) thousand on the net position as of December 31, 2021, compared to € (14,111) thousand as of December 31, 2020 A 10% increase in these same parities would have a positive impact of €12,399 thousand on the net position as of December 31, 2021, compared to €11,545 thousand as of December 31, 2020.
Interest rate risk is managed by the Group's finance department in liaison with the main partner banking establishments.

Interest rate risk

Interest rate risk is managed by the Group's Finance division in collaboration with its main partner banks. The Group's available cash is invested in money market funds, certificates of deposit or interest-bearing accounts, which have little exposure to market fluctuations and pose no capital risk.

Hedging of borrowings

A hedging contract has been put in place to meet the obligations of the syndicated loan contracted in June 2021.
The interest rate applicable to the bank loan is Euribor; the objective is therefore to hedge against the risk of an increase in this rate.

As of December 31, 2021, the CAP type contract at 1% on the 3-month Euribor with a quarterly premium of 0.067% represents coverage of 2/3 of the syndicated debt in euros, i.e. a nominal of €37,4 Million with a maturity date of October 31, 2024.

As of December 31, 2021, the valuation of this hedging contract is positive at €18 thousand.

Summary of interest rate risk exposure

The following table shows the Group's exposure to interest rate risk based on outstanding commitments at December 31, 2021:

(in € thousands)	Less than 1 year		1 to 5 years		More than 5 years		Total carrying amount		
	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Total
Syndicated loans	-	6 000	-	37 000	-	13 000	-	56 000	56 000
Other bank loans	5 750	3 333	10 562	-	-	-	16 312	3 333	19 645
Rent debts IFRS 16	4 468	-	14 736	-	6 288	-	25 493	-	25 493
Accrued interest	-	76	-	-	-	-	-	76	76
Other financial liabilities	19	-	-	-	-	-	19	-	19
Bank overdrafts	-	1	-	-	-	-	-	1	1
NET EXPOSURE BEFORE HEDGING	**10 237**	**9 410**	**25 298**	**37 000**	**6 288**	**13 000**	**41 824**	**59 410**	**101 234**
Interest rate hedging instruments	4 002	(4 002)	24 681	(24 681)	8 672	(8 672)	37 355	(37 355)	-
NET EXPOSURE AFTER HEDGING	**14 240**	**5 407**	**49 979**	**12 319**	**14 960**	**4 328**	**79 179**	**22 055**	**101 234**

Sensitivity analysis on the net borrowing costs to changes in interest rates

For the 2021 financial year, on the basis of the average outstanding amount of borrowings and current bank overdrafts, a 100 basis point increase in the interest rate would have lowered the Group's cost of net financial debt by €358,000. , or 16.9% of this cost.

Equity risk

The Group does not hold third-party equity portfolios or equity UCITS. In addition, all transactions concerning treasury shares are charged directly to shareholders' equity.

9.3.2. Liquidity risk

The Group has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future maturities.

As of December 31, 2021, the Group had gross cash of €38.8 million and gross financial debt of €101.1 million.

The table below shows the contractual undiscounted cash flows of net financial debt:

(in € thousands)	Carrying amount	Contractual cash flows						Total
		2022	2023	2024	2025	2026	2027 and beyond	
Syndicated loans	55 818	6 000	7 000	8 000	9 000	13 000	13 000	56 000
Other bank loans	19 642	9 083	4 000	3 750	2 812	-	-	19 645
Rent debts IFRS 16	25 523	4 499	3 977	4 541	3 372	2 845	6 288	25 524
Accrued interest	76	76	-	-	-	-	-	76
Other financial liabilities	21	-	-	-	-	-	-	-
Bank overdrafts	1	1	-	-	-	-	-	1
Financial Gross Debt	**101 081**	**19 659**	**14 977**	**16 291**	**15 184**	**15 845**	**19 288**	**101 246**
Cash and cash equivalents	38 840	38 840	-	-	-	-	-	38 840
FINANCIAL NET DEBT	**62 240**	**(19 181)**	**14 977**	**16 291**	**15 184**	**15 845**	**19 288**	**62 406**

9.3.3. Credit risk

Due to the nature of its business, the Group is exposed to credit risk, especially the risk of its customers defaulting. Details are provided in Note 5.3 of the amounts of the Group's trade receivables and their age.

9.4. Off-balance sheet commitments related to the Group's financing

9.4.1. Covenants

As part of the syndicated loan agreement signed in June 2021, Linedata Services undertakes under the covenants and on the date of the first test, namely December 31, 2021, that the leverage ratio, i.e. the amount of net debt divided by consolidated EBITDA (excluding leasing included in IFRS 16), i.e. less than 2.50.
Given the impacts of the application of IFRS 16 on the leverage ratio, Linedata negotiated amendments to the loan contracts with the banking pool so that the leverage ratio is established on the basis of the consolidated accounts, at the exclusion from the application of this standard (excluding financial leasing).

As of December 31, 2021, the leverage ratio (excluding IFRS 16 impact but including leasing) was 0.91. This ratio is respected.

9.4.2. Collateral

Linedata Services had not granted any pledges as at 31 December 2021.

9.4.3. Other commitments

As part of the syndicated loans, Linedata Services has subscribed to a certain number of additional commitments with the banks, such as the non-subscription of additional cumulative financial debts of more than €60 million compared to those existing when the loans were signed , throughout the duration of the contracts, or the limitation of the amount of the Group's annual investments.

NOTE 10 INCOME TAX

10.1. Income tax

The income tax charge comprises the consolidated companies' current and deferred tax charges. Tax on items recognized directly in other comprehensive income is recognized in other comprehensive income rather than in the income statement.

10.1.1. Income tax expense

(in € thousands)	31/12/2020	31/12/2021
Current taxes	(5 225)	(9 166)
Deferred taxes	(1 876)	(1 154)
INCOME TAX EXPENSE	**(7 101)**	**(10 320)**

The amount of non-activated losses as of December 31, 2021 is €6,615 thousand, i.e. €1,419 thousand of unrecognized deferred tax assets (based on a rate of 21% in the United States, 19% in the United Kingdom , 17% in Hong Kong and 26.5% for France).

10.1.2. Analysis of the tax charge

(in € thousands)	31/12/2020		31/12/2021	
Profit (loss) before tax	27 357	-	38 608	-
Theoretical tax expense	**(7 660)**	**28.0%**	**(10 231)**	**26.50%**
Reconciliation	**-**	**-**	**-**	**-**
Other Permanent differences	(161)	0.6%	(119)	0.3%
Impact of unactivated tax losses	(204)	0.7%	132	(0.3%)
Impact of research tax credit	47	(0.2%)	788	(2.0%)
Prior year accruals /deferrals (including US subsidiaries)	565	(2.1%)	(434)	1.1%
Adjustments on previous years - "IP Box"	1 171	(4.3%)	-	0.6%
Corporate value-added tax (CVAE)	(488)	1.8%	(250)	(1.2%)
Tax rate differences - France / other currencies	87	(0.3%)	469	(1.2%)
Withholding tax on services abroad	(661)	2.4%	(326)	0.8%
Share of expenses and charges on dividends	(250)	0.9%	(242)	0.6%
transactions taxed at different rates	-	-	-	-
Transactions taxed at different rates - "IP Box"	756	(2.8%)	656	(1.7%)
American tax reform: Repatriation tax	-	-	-	-
American and frend tax reforms : cut in the tax rate	-	-	-	-
Other	(302)	1.1%	(763)	2.0%
EFFECTIVE TAX EXPENSE / EFFECTIVE TAX RATE	**(7 101)**	**26.0%**	**(10 320)**	**26.73%**

The group notes an increase in the effective tax rate, which stands at 26.73%, mainly linked to the regularization of company tax 2019 in the first half of 2020, following the implementation of the "IP Box" on net income from licensing intangible assets in France, which benefits from a reduced corporate tax rate of 10%.

The tax charge is broken down by main geographical area in the following table:

(in € thousands)	31/12/2020		31/12/2021	
Southern Europe	(2 754)	22.2%	(5 417)	27.8%
Northern Europe	(982)	18.1%	(1 545)	23.6%
North America	(3 354)	36.1%	(3 188)	26.7%
Asia	(11)	4.3%	(171)	26.9%
EFFECTIVE TAX EXPENSE / EFFECTIVE TAX RATE	**(7 101)**	**26.0%**	**(10 320)**	**26.7%**

10.2. Deferred taxes

The Group recognizes deferred tax, in accordance with the liability method, for all temporary differences between the carrying amount and tax basis of its assets and liabilities recognized in the consolidated financial statements.

Deferred tax is measured by entity or tax group using the tax rates that have been enacted or substantially enacted as of the reporting date and that are expected to apply when the tax asset concerned is realized or the tax liability settled.

Deferred tax assets corresponding to temporary differences and tax losses carried forward are only recognized to the extent that it is probable that they will result in future tax savings.

Tax relating to items recognized directly in equity is recognized in equity, rather than in the income statement.

The following table provides a breakdown of deferred taxes by category of temporary difference:

(in € thousands)	31/12/2020	31/12/2021
Retirement benefit obligations	1 917	1 740
Activated tax losses	-	-
Goodwill and Intangible Assets *	(12 413)	(13 921)
Other temporary differences	1 434	1 183
NET DEFERRED TAXES	**(9 062)**	**(10 998)**
Of which:	-	-
Deferred tax assets in less than one year	*2 211*	*2 360*
Deferred tax assets in more than one year	*1 088*	*955*
Deferred tax liabilities in less than one year	*(1 070)*	*(984)*
Deferred tax liabilities in more than one year	*(11 291)*	*(13 329)*

* including +€2 582 thousand in tax losses carried forward to the United States,

Changes in net deferred tax during the financial year were as follows:

(in € thousands)	31/12/2020	31/12/2021
As of January 1	**(7 961)**	**(9 062)**
Taxes recognized in profit or loss	(1 876)	(1 154)
Taxes recognized in equity	(122)	104
Reclassification	-	-
Foreign currency translation adjustments	897	(886)
AS OF DECEMBER 31	**(9 062)**	**(10 998)**

NOTE 11 EQUITY AND EARNINGS PER SHARE

11.1. Equity

The share capital of Linedata Services amounted to €6,518,150 as of December 31, 2021, made up of 6,518,150 shares, with a nominal value of €1.

11.1.1. Change in capital stock

At its meeting of December 10, 2020, the Board of Directors authorized from January 2021 the cancellation of 107,576 treasury shares and the corresponding reduction of the share capital by a nominal amount of €107,576, bringing it down to €6,518,150. This share capital reduction took place on January 14, 2021.

The Board of Directors of December 7, 2021 authorized from January 2022 the cancellation of treasury shares up to the number of treasury shares at the time of cancellation, i.e. 138,823 shares as of January 10, 2022.

11.1.2. Treasury stock transactions

All Linedata Services shares held by the parent company are recorded at their acquisition cost as a deduction from equity.

Gains or losses resulting from the disposal of treasury shares are added or deducted net of tax from consolidated reserves..

As of December 31, 2021, Linedata Services held 138,823 of its own shares, acquired under buyback programs authorized by the Shareholders' General Meeting, for a total amount of €4,835 thousand, i.e. an average purchase price of 34.83 €. The valuation of treasury shares at the December 2021 closing price (€39.00) amounts to €5,414 thousand.

Linedata Services also held, as of December 31, 2021, 3,082 shares acquired under the contract ensuring the liquidity of its share with an investment service provider.

All transactions concerning treasury shares are charged directly to equity. The impact of the exercise is € (4,095) thousand.

11.1.3. Dividends

The Combined General Meeting of Linedata Services held on June 18, 2021 decided to distribute an ordinary dividend in the amount of €8,800 thousand for the 2020 financial year, i.e. €1.35 per share. This dividend, excluding the holding of treasury shares, was paid on July 8, 2021, for the amount of €8,636 thousand. The theoretical dividend for the previous year was €6,294 thousand or €0.95 per share.

11.2. Earnings per share

Earnings per share as stated in the income statement are calculated on the basis of the profit for the year attributable to owners of the Company:

- ✓ basic earnings per share are determined on the basis of the weighted average number of common shares outstanding during the period, based on the shares' issue or repurchase date, less treasury stock.
- ✓ diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding for the dilutive effect of the stock option plans in force as of the reporting date.Only common shares with a potentially dilutive effect are included in the calculation of diluted earnings per share, while shares with an accretive effect are excluded. Potential common shares resulting from stock options exercised at a strike price higher than the average share price are considered accretive.

	31/12/2020	31/12/2021
Profit for the year attributable to owners of the Company *(in € thousands)*	20 256	28 288
Weighted average number of common shares outstanding	6 558 373	6 401 311
BASIC EARNINGS PER SHARE (in €)	**3.09**	**4.42**

	31/12/2020	31/12/2021
Profit for the year attributable to owners of the Company *(in € thousands)*	20 256	28 288
Weighted average number of common shares outstanding	6 558 373	6 401 311
Weighted average number of shares retained in respect of dilutive items	-	-
Weighted average number of shares used to calculate diluted net earnings per share	6 558 373	6 401 311
DILUTED EARNINGS PER SHARE (in €)	**3.09**	**4.42**

11.3. Management of capital risk

The Group's purpose is to preserve business continuity while maximizing returns for its shareholders through capital structure and debt management.

The debt ratio (impacted by IFRS 16) changed as follows:

(in € thousands)	31/12/2020	31/12/2021
Loans and similar borrowings **	89 558	75 536
IFRS 16 lease liabilities**	24 702	25 523
Bank overdrafts	1	1
Cash and cash equivalents	(30 180)	(38 840)
Net debt (*)	**84 081**	**62 220**
Equity attributable to owners of the Company	121 458	145 794
GEARING RATIO	**69.2%**	**42.7%**

* not including other miscellaneous financial debts
** The 2020 financial data presented on the "Borrowings and similar debts" lines correspond to the published data restated for the leasing relating to the head office premises. In application of the IFRS 16 standard, this finance lease now appears on the lines "IFRS 16 lease liabilities" for an amount of €7.7 million for 2020 and €.6.5 million for 2021

NOTE 12 EVENTS AFTER THE REPORTING PERIOD

Following the decision of the Board of Directors on December 7, 2021, the company proceeded on January 10, 2022 to the cancellation of 138,823 treasury shares and the correlative reduction of the share capital by a nominal amount of €138 823 to bring it down to €6,379,327.

NOTE 13 FOREIGN CURRENCY CONVERSION RATES

	Average rate for the year			Rate as of December 31		
	2020	2021	Change	2020	2021	Change
Tunisian Dinar	3.1939	3.2792	2.6%	3.2877	3.2621	(0.8%)
Moroccan dirham	10.8234	10.6343	(1.8%)	10.9187	10.5115	(3.9%)
US Dollar	1.1413	1.1836	3.6%	1.2271	1.1326	(8.3%)
Canadian Dollar	1.5294	1.4836	(3.1%)	1.5633	1.4393	(8.6%)
Hong Kong Dollar	8.8517	9.1993	3.8%	9.5142	8.8333	(7.7%)
Pound Sterling	0.8892	0.8600	(3.4%)	0.8990	0.8403	(7.0%)
Indian Rupee	84.5795	87.4893	3.3%	89.6605	84.2292	(6.4%)

Sources: Oanda for Tunisian and Moroccan dinar rates, and Banque de France for other exchange rates.