

Dassault Systèmes Reports Financial Results Well Aligned with its Guidance, IFRS and non-IFRS Total Revenue up 11% in Q2, Reaffirms its 2020 non-IFRS EPS Objective

VÉLIZY-VILLACOUBLAY, France — July 23, 2020 — [Dassault Systèmes](https://www.dassault-systemes.com) (Euronext Paris: #13065, DSY.PA) announces IFRS unaudited financial results for the second quarter and first half ended June 30, 2020. The Group's Board of Directors reviewed these results on July 22, 2020. This press release also includes financial information on a non-IFRS basis with reconciliations with IFRS figures included in the Appendix to this communication.

Highlights and Financial Summary

(Unaudited, revenue growth in constant currencies)

- Q2 non-IFRS Operating Margin and non-IFRS EPS at high end of guidance reflecting strong operational performance
- Q2 IFRS and non-IFRS total revenue up 10% in constant currencies; non-IFRS recurring software up 30% with Medidata and solid organic support renewals
- Q2 cash flow from operations of €397 million, with H1 at €855 million
- Medidata delivers double-digit non-IFRS revenue growth and strong non-IFRS operating margin uplift in H1, on a comparable basis
- Acquisition of Proxem, specialist in AI-based information semantic processing expanding our collaborative data sciences offer
- Confirming FY 2020 Financial Framework with an Objective of 2020 non-IFRS EPS reaching about €3.70 to 3.75 (€3.65 for FY 2019)

In millions of Euros, except per share data and percentages
Total Revenue
Software Revenue
Operating Margin
EPS

IFRS			
Q2 2020	Q2 2019	Change	Change in constant currencies
1,068.7	961.4	11%	10%
958.8	847.4	13%	12%
10.4%	18.9%	(8.6)pts	
0.32	0.51	(38)%	

IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
2,203.3	1,920.3	15%	14%
1,973.0	1,702.7	16%	15%
11.9%	20.7%	(8.8)pts	
0.74	1.13	(34)%	

In millions of Euros, except per share data and percentages
Total Revenue
Software Revenue
Operating Margin
EPS

Non-IFRS			
Q2 2020	Q2 2019	Change	Change in constant currencies
1,070.6	965.4	11%	10%
960.5	851.0	13%	12%
26.7%	30.7%	(3.9)pts	
0.80	0.82	(2)%	(3)%

Non-IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
2,215.0	1,929.4	15%	14%
1,983.5	1,710.5	16%	15%
28.0%	31.8%	(3.7)pts	
1.76	1.69	4%	2%

Bernard Charlès, Dassault Systèmes' Vice Chairman and Chief Executive Officer commented, "The health crisis will have a lasting impact on the way of doing business and on the needs of companies and their end-clients. This is clear from extensive discussions we have had with clients across Manufacturing Industries, Life Sciences & Healthcare and Infrastructure and Cities. We are working with them to turn this health crisis into an opportunity to improve their near-term operations while strengthening the sustainability of their business models.

"The lockdown period has accelerated the need for our platform-based design anywhere, virtual production organization adoption, putting people care at the center of all. Thus, never has the Virtual twin experience been more relevant. We are well positioned to help our clients to address key industry trends with new approaches and to ensure these improvements seamlessly connect to future transformations.

"In Life Sciences, the COVID-19 vaccine development world race is revealing the value of leveraging virtual new world, data sciences and analytics, platform-based clinical trials, as well as the game change promise of virtual control arm use to improve performance scope and relevancy of clinical trials on the MEDIDATA platform.

"Our BIOVIA and MEDIDATA teams' deep understanding of the Life Sciences industry is readily demonstrated by its activity during the second quarter growing, its customer base overall by 17%, expanding its relationships with the top 25 pharmaceutical companies and working with the large majority of companies focused on a COVID-19 vaccine development.

"Knowledge is very often a prisoner in text. With the acquisition of Proxem, using their natural language processing technologies, we can extract this knowledge from documents and use it through data sciences and data analytics, turning it into experience and enabling our clients to automate their interpretation.

"Finally, more than ever, the virtual world offers an immense opportunity to imagine and help create sustainable innovations for a better future."

Second Quarter Financial Summary (Unaudited)

In millions of Euros, except per share data and percentages	IFRS				Non-IFRS			
	Q2 2020	Q2 2019	Change	Change in constant currencies	Q2 2020	Q2 2019	Change	Change in constant currencies
Total Revenue	1,068.7	961.4	11%	10%	1,070.6	965.4	11%	10%
Software Revenue	958.8	847.4	13%	12%	960.5	851.0	13%	12%
Services Revenue	109.9	114.0	(4)%	(4)%	110.1	114.4	(4)%	(5)%
Operating Margin	10.4%	18.9%	(8.6)pts		26.7%	30.7%	(3.9)pts	
EPS	0.32	0.51	(38)%		0.80	0.82	(2)%	(3)%

Total Software Revenue in millions of Euros, except percentages	IFRS				Non-IFRS			
	Q2 2020	Q2 2019	Change	Change in constant currencies	Q2 2020	Q2 2019	Change	Change in constant currencies
Americas	364.3	249.5	46%	44%	365.9	252.3	45%	43%
Europe	334.8	347.5	(4)%	(3)%	334.9	348.3	(4)%	(4)%
Asia	259.7	250.5	4%	3%	259.7	250.5	4%	3%

Second Quarter 2020 versus 2019 Financial Comparisons

Q2 Revenue Review

- Total revenue increased 10% (IFRS and non-IFRS), reflecting the inclusion of Medidata Solutions, Inc. following the completion of its acquisition on October 28, 2019. On an organic basis, non-IFRS total revenue decreased 8% largely due to the global COVID-19 pandemic impact on new licenses and services activities, offset in part by organic growth of 4% for non-IFRS recurring software revenue. (All growth rates are at constant currencies.)
- Software revenue grew 12% (IFRS and non-IFRS). Non-IFRS recurring software revenue increased 30% reflecting principally increase in Life Sciences, growth in Mainstream Innovation and in Industrial Innovation. Non-IFRS recurring software revenue represented 82% of non-IFRS software revenue in the second quarter. Licenses and other software revenue decreased 32% (IFRS and non-IFRS), largely reflecting the impact of the COVID-19 pandemic reducing end-market demand across a number of industries. (All growth rates are at constant currencies.)
- With the addition of Medidata, the Americas represented 38% (30% in Q2 2019) of total non-IFRS software revenue, Europe 35% (41% in Q2 2019) and Asia 27% (29% in Q2 2019). In the Americas, non-IFRS software revenue increased 43%. Europe non-IFRS software revenue decreased 4%. In Asia, non-IFRS software revenue increased 3% in total. On an organic basis, the Group's best performing geographies were North America, Asia Pacific South, Japan and China. (All growth rates at constant currencies.)
- Services revenue decreased 4% (IFRS) and 5% (non-IFRS) on a double-digit decrease in services non-IFRS revenue on an organic basis reflecting the impact of the COVID-19 pandemic on new activities as well as some extensions of timelines on ongoing engagements. (All growth rates are at constant currencies.)

Q2 Operating Review

- On an IFRS basis, operating income decreased 39%, reflecting the impact of acquired amortization intangibles. Non-IFRS operating income decreased 3% to €286.2 million. The non-IFRS operating margin of 26.7% came in above the high end of the Group's guidance range of 25.0% to 26.5% on a strong operational focus.
- IFRS diluted net income per share was €0.32, decreasing 38%. On a non-IFRS basis, diluted net income per share of €0.80 was on the high end of the Group's guidance range of 72 to 77 cents.

First Half 2020 versus 2019 Financial Comparisons (Unaudited)

In millions of Euros, except per share data and percentages
Total Revenue
Software Revenue
Services Revenue
Operating Margin
EPS

IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
2,203.3	1,920.3	15%	14%
1,973.0	1,702.7	16%	15%
230.4	217.6	6%	5%
11.9%	20.7%	(8.8)pts	
0.74	1.13	(34)%	

Non-IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
2,215.0	1,929.4	15%	14%
1,983.5	1,710.5	16%	15%
231.5	218.9	6%	5%
28.0%	31.8%	(3.7)pts	
1.76	1.69	4%	2%

Total Software Revenue in millions of Euros, except percentages
Americas
Europe
Asia

IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
758.2	514.3	47%	44%
709.8	712.4	(0)%	(0)%
505.0	476.0	6%	5%

Non-IFRS			
YTD 2020	YTD 2019	Change	Change in constant currencies
768.1	520.6	48%	44%
710.1	714.0	(1)%	(1)%
505.3	476.0	6%	5%

H1 Revenue Review

- IFRS total revenue increased 14%. On a non-IFRS basis, total revenue also increased 14% on the inclusion of the Medidata offset in part by lower revenues of 5% on an organic basis due to the impact of the global pandemic. (All growth rates at constant currencies.)
- IFRS software revenue increased 15%. Non-IFRS software revenue increased 15%, reflecting non-IFRS recurring software revenue growth of 30% with the addition of Medidata and organic growth of 5%, while non-IFRS new licenses and other software revenue decreased 27% on COVID-19 demand erosion. Non-IFRS recurring software revenue represented 83% of non-IFRS software revenue and totaled €1.64 billion for the 2020 First Half. (All growth rates at constant currencies.)
- On a regional basis and in constant currencies: Non-IFRS software revenue increased 44% in the Americas, led by the addition of Medidata with a large proportion of its software revenues in North America and growth in Aerospace & Defense. Non-IFRS software revenue increased 5% in Asia on strong growth in Asia Pacific South and with Japan and China showing good resiliency. In Europe, non-IFRS software revenue decreased 1% with a similar performance across the major geographies. Non-IFRS recurring software revenue grew year over year across the three regions with all geographies performing well in line with business goals. On an organic basis, non-IFRS software revenue was flat in the Americas, and lower by 3% in Asia and 8% in Europe.
- By industry sector and in constant currencies, while Manufacturing Industries non-IFRS software revenue decreased 5% in total due to a decline in Transportation & Mobility, both Aerospace & Defense and Consumer Packaged Goods-Retail grew year over year in the 2020 First Half. Life Sciences & Healthcare non-IFRS software revenue increased significantly with the addition of Medidata and represented 21% of non-IFRS software revenue in the 2020 First Half. Infrastructure & Cities non-IFRS

software revenue increased 6% and represented 9% of total non-IFRS software revenue. (All growth rates at constant currencies.)

- For the 2020 First Half, 3DEXPERIENCE non-IFRS software revenue represented 23% (27% in H1 2019) of related non-IFRS software revenue, and included business from customers in Aerospace & Defense, Transportation & Mobility, Industrial Equipment, High Tech, and Marine & Offshore, among others. 3DEXPERIENCE non-IFRS software revenue decreased 16% reflecting both COVID-19 demand disruption in addition to a very high base of comparison (up 40% in H1 2019). (All growth rates in constant currencies.)
- Services revenue increased 5% (IFRS and non-IFRS), reflecting the addition of services from Medidata offset in part by a non-IFRS organic decrease of 11% impacted by COVID-19 disruptions to new business and to ongoing service engagements. (All growth rates in constant currencies.)

H1 Operating Review

- Operating income decreased 34% on an IFRS basis, reflecting the impact of acquired amortization intangibles arising from the Medidata acquisition, while increasing 1% to €620.4 million on a non-IFRS basis. The non-IFRS operating margin was 28.0% compared to 31.8% in the year-ago First Half, and principally reflected acquisition dilution of about 170 basis points and an estimated 230 basis points impact of the COVID-19 pandemic lowering non-IFRS new licenses and non-IFRS services activities.
- The IFRS effective tax rate was 23.9% (non-IFRS 24.7%) for the 2020 First Half, compared to 28.3% (non-IFRS 28.9%) in the year-ago period. The principal drivers of the decrease in the effective tax rate include the positive impact of the US tax regime on revenues from patents and technology and the last of the US BEAT consequences. These changes were fully recognized both in Q4 2019 for the full year and in the 2020 First Half. In addition, the effective tax rate for the 2020 First Half also reflects a favorable evolution in the geographic mix of taxable income.
- IFRS diluted net income per share was €0.74 compared to €1.13 in the year-ago period. On a non-IFRS basis, diluted net income per share increased 4% to €1.76, with a net positive currency impact of about three cents.

COO & CFO Commentary

Pascal Daloz, Dassault Systèmes' Chief Operating Officer & Chief Financial Officer, commented:

“Last quarter we laid out a financial framework for navigating through 2020 in a pre-vaccine COVID-19 world and are seeing that this framework is consistent with our results for this quarter and with our outlook for the full year.

“We delivered second quarter financial results well in line, with key non-IFRS figures – software and recurring software revenue growth, operating margin and earnings per share – at the high end of or slightly above our objectives. Our results underscore the resiliency of our financial model, with a high base of recurring software revenue (82% of total IFRS and non-IFRS software revenue in Q2) and strong operating profitability, while growing R&D resources in total and on an organic basis. While software

revenue grew at the high end of our target range, services activities faced headwinds with many companies in lockdown or manufacturing sites with restrictions.

“In Life Sciences, our second largest industry, Medidata delivered on a comparable basis a strong quarter for revenue and operating margin improvement. Importantly, with its strong booking growth and 95% of its total revenue target in place, Medidata is well positioned to achieve its growth objectives for the full year.

“Based upon our results for the First Half and H2 assessment, we are reaffirming our full year financial framework objective targeting non-IFRS earnings per share of about €3.70 to €3.75 for 2020 in comparison to €3.65 to 2019. This planning framework continues to assume some underlying improvement in global GDP in the second half based upon current governmental plans in the major geographies we serve. We also anticipate that changes in COVID-19 outbreaks will continue to result in a choppy demand recovery environment and therefore believe our framework assumptions are appropriate.”

Financial Objectives Framework for the Third Quarter and 2020 Full Year

The Group has set the following framework as the basis for its third quarter and full year financial objectives. The Group is using these objectives to conduct its internal planning. Key framework assumptions and targeted growth rates, outlined in April 2020, are confirmed or refined as follows:

- A significant deceleration in global GDP for the full year 2020 compared to 2019 and restrictions in a number of industries based upon current governmental plans in the Americas, Europe and Asia, leading to non-IFRS licenses and other software revenue to decrease year over year by approximately -18% to -16% in constant currencies for FY 2020 (refining from -20% to -17% previously);
- Non-IFRS recurring software revenue to maintain a strong resilience, while reflecting lower new licenses activity and some increased attrition, leading to growth of recurring revenue in the range of 26% to 27% in constant currencies for FY 2020;
- Cost savings targeting to achieve a non-IFRS operating margin in the range of 29.3% to 29.4% for FY 2020 (refining from about 29.5% previously);
- Non-IFRS effective tax rate of about 25.2% for FY 2020.

Dassault Systèmes’ full year 2020 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2020 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	Q3 2020 Framework	FY 2020 Framework
Total non-IFRS Revenue	€1.05 to €1.08 billion	€4.51 to €4.56 billion
Growth in Constant Currencies	+18% to +21%	+12% to +13%
Non-IFRS operating Margin	26.0% to 26.5%	29.3% to 29.4%
Non-IFRS EPS	€0.75 to €0.80	€3.70 to €3.75
Non-IFRS EPS Growth	-4% to +3%	+1% to +3%
<i>US dollar</i>	<i>\$1.15 per Euro</i>	<i>\$1.13 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 125.0 per Euro</i>	<i>JPY 122.3 per Euro</i>

These framework objectives are prepared and communicated only on a non-IFRS basis and are subject to the cautionary statement set forth below.

The 2020 non-IFRS financial objectives framework set forth above do not take into account the following accounting elements below and are estimated based upon the 2020 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €13 million; share-based compensation expenses, including related social charges, estimated at approximately €209 million; and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €400 million, largely impacted by the acquisition of Medidata; and lease incentives of acquired companies at approximately €3 million. The above objectives also do not include any impact from other operating income and expenses, net principally comprised of acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets; from one-time items included in financial revenue; from one-time tax effects; and from the income tax effects of these non-IFRS adjustments. Finally, these estimates do not include any new stock option or share grants, or any new acquisitions or restructuring completed after June 30, 2020.

Cash Flow and Balance Sheet Information

For the 2020 First Half, the Group's principal sources of liquidity were cash from operations aggregating €855.0 million as well as cash for stock options exercised of €47.3 million. During the 2020 First Half, cash from operations was used principally to distribute cash dividends of €182.5 million; capital expenditures, net of €87.4 million; repurchase of shares of €104.7 million related to its stock options and share grant programs and payment for lease obligations of €47.4 million.

Dassault Systèmes' net financial position totaled €(2.2) billion at June 30, 2020, compared to €(2.7) billion at December 31, 2019, reflecting cash, cash equivalents and short-term investments of €2.4 billion and debt related to borrowings of €4.6 billion.

Summary of Recent Business, Technology and Customer Announcements

On July 23, 2020, Medidata, a Dassault Systèmes company, and the global leader in creating end-to-end solutions supporting the entire clinical trial process, and Moderna, Inc., a clinical stage biotechnology company pioneering messenger RNA (mRNA) therapeutics and vaccines, announced that they are partnering to accelerate the development of Moderna's mRNA COVID-19 vaccine candidate. The companies are collaborating on Moderna's mRNA-1273 trials, including its upcoming phase 3 trial - the largest COVID-19 trial of its kind to date, involving 30,000 patients. The Medidata and Moderna teams are moving forward with the speed and urgency necessitated by the global pandemic, using the world's most innovative and scalable cloud platform for clinical development.

Dassault Systèmes Acquires Proxem to Extend Information Intelligence on the 3DEXPERIENCE Platform.

On July 23, 2020 the Group announced that it had completed the acquisition of Proxem, a specialist in artificial intelligence-based semantic processing software and services, and provider of consumer experience analysis solutions. With this acquisition, Dassault Systèmes extends information intelligence on the 3DEXPERIENCE platform to semantics with natural language processing technologies. Customers can automate the interpretation of unstructured text data to become more innovative, agile and sustainable. Proxem customers include Air France, Air Liquide and Total among others.

Today's Webcast and Conference Call Information

Today, Thursday, July 23, 2020, Dassault Systèmes will host a webcasted presentation at 9:00 London Time/ 10:00 AM Paris time and will then host a conference call at 9:00 AM New York time / 3:00 PM Paris time / 2:00 PM London time. The webcasted presentation and conference call will be available online by accessing www.3ds.com/investors/.

Additional investor information can be accessed at www.3ds.com/investors/ or by calling Dassault Systèmes' Investor Relations at +33.1.61.62.69.24.

Key Investor Relations Events

Third Quarter 2020 Earnings Release: October 22, 2020

Capital Market Day: November 17, 2020

Fourth Quarter 2020 Earnings Release: February 4, 2021

Forward-looking Information

Statements herein that are not historical facts but express expectations or objectives for the future, including but not limited to statements regarding the Group's non-IFRS financial performance objectives or framework, are forward-looking statements. Such forward-looking statements are based on Dassault Systèmes management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results or performances may differ materially from those in such statements due to a range of factors.

The Group's current framework for 2020 takes into consideration, among other things, an uncertain global economic environment. In light of the uncertainties regarding economic, business, social, health and geopolitical conditions at the global level, Dassault Systèmes' revenue, net earnings and cash flows may grow more slowly, whether on an annual or quarterly basis, mainly due to the following factors:

- the deployment of Dassault Systèmes' solutions may represent a large portion of a customer's investments in software technology. Decisions to make such an investment are impacted by the economic environment in which the customers operate. Uncertain global geopolitical, economic and health conditions and the lack of visibility or the lack of financial resources may cause some customers, e.g. within automotive, aerospace or natural resources industries, to reduce, postpone or terminate their investments, or to reduce or not renew ongoing paid maintenance for their installed base, which impact larger customers' revenue with their respective sub-contractors; the sales cycle of Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen; and
- the political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and, for example, result in stricter export compliance rules or the modification of current tariff regimes;
- health conditions in some geographic areas where Dassault Systèmes operates will impact the economic situation of those regions. Specifically, it is not possible to predict the impact, length and scope of damages originating from the COVID-19 pandemic as of issuance date of this

document. Health conditions, including the COVID-19 pandemic, may present risks for health and ability to travel for Dassault Systèmes employees; and

- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries.

Dassault Systèmes makes every effort to take into consideration this uncertain macroeconomic outlook. Dassault Systèmes' business results, however, may not develop as anticipated. Furthermore, due to factors affecting sales of Dassault Systèmes' products and services, there may be a substantial time lag between an improvement in global economic and business conditions and an upswing in the Group's business results.

The economic context (as notably caused by the COVID-19 pandemic crisis) may also adversely impact the financial situation or financing capabilities of the Dassault Systèmes' existing and potential customers, commercial and technology partners, some of whom may be forced to temporarily close sites or cease operations due to cash flow and profitability issues. Dassault Systèmes' ability to collect outstanding receivables may be affected. In addition, the economic environment could generate increased price pressure, as customers seek lower prices from various competitors, which could negatively impact Dassault Systèmes' revenue, financial performance and market position.

The Group's actual results or performance may also be materially negatively affected by numerous risks and uncertainties, as described in the "Risk Factors" section of the 2019 Document d'enregistrement universel (Annual Report) filed with the AMF (French Financial Markets Authority) on March 19, 2020, available on the Group's website www.3ds.com.

In preparing such forward-looking statements, the Group has in particular assumed an average US dollar to euro exchange rate of US\$1.13 per €1.00 as well as an average Japanese yen to euro exchange rate of JPY122.3 to €1.00 before hedging for the full year 2020. However, currency values fluctuate, and the Group's results of operations may be significantly affected by changes in exchange rates.

Non-IFRS Financial Information

Readers are cautioned that the supplemental non-IFRS information presented in this press release is subject to inherent limitations. This information is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. In addition, the Group's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies. Further specific limitations for individual non-IFRS measures, and the reasons for presenting non-IFRS financial information, are set forth in the Group's 2019 Document d'enregistrement universel (Annual Report) filed with the AMF on March 19, 2020.

In the tables accompanying this press release the Group sets forth its supplemental non-IFRS figures for revenue, operating income, operating margin, net income and diluted earnings per share, which exclude the effect of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, the amortization of acquired intangible assets and of tangibles reevaluation, certain other operating income and expense, net, including impairment of goodwill and acquired intangibles, the effect of adjusting lease incentives of acquired companies, certain one-time items included in financial revenue and other, net, and the income tax effect of the non-IFRS

adjustments and certain one-time tax effects. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

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About Dassault Systèmes

Dassault Systèmes, the **3DEXPERIENCE** Company, is a catalyst for human progress. We provide business and people with collaborative virtual environments to imagine sustainable innovations. By creating ‘virtual experience twins’ of the real world with our **3DEXPERIENCE** platform and applications, our customers push the boundaries of innovation, learning and production.

Dassault Systèmes’ 20,000 employees are bringing value to more than 270,000 customers of all sizes, in all industries, in more than 140 countries. For more information, visit www.3ds.com

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(Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures).

Glossary of Definitions

Non-IFRS Financial Information

Condensed consolidated statements of income

Condensed consolidated balance sheets

Condensed consolidated cash flow statements

IFRS – non-IFRS reconciliation

DASSAULT SYSTEMES - Glossary of Definitions

Information in Constant Currencies

We have followed a long-standing policy of measuring our revenue performance and setting our revenue objectives exclusive of currency in order to measure in a transparent manner the underlying level of improvement in our total revenue and software revenue by type, industry, region and product lines. We believe it is helpful to evaluate our growth exclusive of currency impacts, particularly to help understand revenue trends in our business. Therefore, we provide percentage increases or decreases in our revenue and EPS (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values, particularly the U.S. dollar and the Japanese yen, relative to the euro. When trend information is expressed by us "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

While constant currency calculations are not considered to be an IFRS measure, we do believe these measures are critical to understanding our global revenue results and to compare with many of our competitors who report their financial results in U.S. dollars. Therefore, we are including this calculation for comparing IFRS revenue figures for comparable periods as well as for comparing non-IFRS revenue figures for comparable periods. All constant currency information is provided on an approximate basis. Unless otherwise indicated, the impact of exchange rate fluctuations is approximately the same for both the Group's IFRS and supplemental non-IFRS financial data.

Information on Growth excluding acquisitions (“organic growth”)

In addition to discussing total growth, we also provide financial information where we discuss growth excluding acquisitions or growth on an organic basis as used alternatively. In both cases, growth excluding acquisitions have been calculated using the following restatements of the scope of consolidation: for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year, and for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1st of the current year, until the last day of the month of the current year when the acquisition was made the previous year.

Information on Industrial Sectors

Dassault Systèmes' Industries develop Solution Experiences, industry-focused offerings that deliver specific value to companies and users in a particular industry. We serve eleven industries structured into three sectors: Manufacturing Industries (Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail and a portion of Business Services); Life Sciences & Healthcare (Life Sciences); and Infrastructure & Cities (Energy & Materials; Construction, Cities and Territories; Business Services).

Information on Product Lines

Commencing with the first quarter of 2020 and as previously disclosed, we have introduced a new presentation of our product lines to reflect our broader ambitions. Our new product line financial

reporting includes: 1) Industrial Innovation software revenue, comprised of our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES/EXALEAD, and 3DEXCITE brands; 2) Life Sciences software revenue, comprised of our MEDIDATA and BIOVIA brands; and 3) Mainstream Innovation software revenue, comprised of our SOLIDWORKS brand as well as CENTRIC PLM, 3DVIA and our new 3DEXPERIENCE.WORKS family.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of 3DEXPERIENCE software, we utilize the following ratios: a) for Licenses revenue, we calculate the percentage contribution by comparing total 3DEXPERIENCE Licenses revenue to Licenses revenue for all product lines except SOLIDWORKS and acquisitions (“related Licenses revenue”); and, b) for software revenue, the Group calculates the percentage contribution by comparing total 3DEXPERIENCE software revenue to software revenue for all product lines except SOLIDWORKS and acquisitions (“related software revenue”).

DASSAULT SYSTEMES
NON-IFRS FINANCIAL INFORMATION

(unaudited; in millions of Euros, except per share data, percentages, headcount and exchange rates)

Non-IFRS key figures exclude the effects of adjusting the carrying value of acquired companies' deferred revenue, share-based compensation expense and related social charges, amortization of acquired intangible assets and of tangible assets revaluation, lease incentives of acquired companies, other operating income and expense, net, including the impairment of goodwill and acquired intangible assets, certain one-time financial revenue items and the income tax effects of these non-IFRS adjustments.

Comparable IFRS financial information and a reconciliation of the IFRS and non-IFRS measures are set forth in the separate tables within this Attachment.

In millions of Euros, except per share data, percentages, headcount and exchange rates	Non-IFRS reported							
	Three months ended				Six months ended			
	June 30, 2020	June 30, 2019	Change	Change in constant currencies	June 30, 2020	June 30, 2019	Change	Change in constant currencies
Revenue	€ 1,070.6	€ 965.4	11%	10%	€ 2,215.0	€ 1,929.4	15%	14%
Revenue breakdown by activity								
Software revenue	960.5	851.0	13%	12%	1,983.5	1,710.5	16%	15%
<i>Of which licenses and other software revenue</i>	169.3	248.5	(32)%	(32)%	341.5	461.8	(26)%	(27)%
<i>Of which subscription and support revenue</i>	791.2	602.5	31%	30%	1,641.9	1,248.7	31%	30%
Services revenue	110.1	114.4	(4)%	(5)%	231.5	218.9	6%	5%
Software revenue breakdown by product line								
Industrial Innovation	545.7	597.1	(9)%	(9)%	1,150.7	1,202.2	(4)%	(5)%
<i>Of which CATIA</i>	251.5	280.4	(10)%	(11)%	522.6	550.5	(5)%	(6)%
<i>Of which ENOVIA ⁽¹⁾</i>	83.5	93.4	(11)%	(11)%	164.1	182.4	(10)%	(11)%
Life Sciences ⁽²⁾	193.8	30.5	536%	526%	388.8	69.7	457%	446%
Mainstream Innovation	221.0	223.5	(1)%	(2)%	444.0	438.5	1%	(0)%
<i>Of which SOLIDWORKS</i>	198.5	202.8	(2)%	(3)%	400.0	394.2	1%	(0)%
Revenue breakdown by geography								
Americas	413.9	298.7	39%	36%	867.7	609.7	42%	39%
Europe	377.9	394.7	(4)%	(4)%	799.4	804.2	(1)%	(1)%
Asia	278.8	272.0	2%	2%	547.9	515.5	6%	5%
Operating income	€ 286.2	€ 296.2	(3)%		€ 620.4	€ 612.6	1%	
Operating margin	26.7%	30.7%			28.0%	31.8%		
Net income attributable to shareholders	€ 211.4	€ 214.0	(1)%		€ 461.4	€ 440.5	5%	
Diluted net income per share	€ 0.80	€ 0.82	(2)%	(3)%	€ 1.76	€ 1.69	4%	2%
Closing headcount	21,443	17,623	22%		21,443	17,623	22%	
Average Rate USD per Euro	1.10	1.12	(2)%		1.10	1.13	(3)%	
Average Rate JPY per Euro	118.41	123.47	(4)%		119.27	124.28	(4)%	

⁽¹⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m; YTD 2019: €7.0m)

⁽²⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m; YTD 2019: €7.0m)

DASSAULT SYSTEMES
ACQUISITIONS AND FOREIGN EXCHANGE IMPACT

(unaudited; in millions of Euros)

In millions of Euros	Non-IFRS reported			o/w growth at constant rate and scope	o/w change of scope impact at current year rate	o/w FX impact on previous year figures
	June 30, 2020	June 30, 2019	Change			
Revenue QTD	1,070.6	965.4	105.2	(82.1)	180.2	7.1
Revenue YTD	2,215.0	1,929.4	285.6	(91.1)	355.6	21.1

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (IFRS)
(unaudited; in millions of Euros, except per share data and percentages)

In millions of Euros, except per share data and percentages	IFRS reported			
	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Licenses and other software revenue	169.3	248.5	341.5	461.8
Subscription and Support revenue	789.5	598.9	1,631.4	1,240.9
Software revenue	958.8	847.4	1,973.0	1,702.7
Services revenue	109.9	114.0	230.4	217.6
Total Revenue	€ 1,068.7	€ 961.4	€ 2,203.3	€ 1,920.3
Cost of software revenue ⁽¹⁾	(76.3)	(44.6)	(152.8)	(89.8)
Cost of services	(108.0)	(105.7)	(227.9)	(206.3)
Research and development	(243.4)	(176.9)	(473.6)	(357.2)
Marketing and sales	(315.9)	(300.5)	(647.2)	(591.7)
General and administrative	(101.0)	(75.7)	(198.4)	(152.3)
Amortization of acquired intangible assets and of tangible assets revaluation	(100.5)	(50.9)	(209.9)	(101.0)
Other operating income and expense, net	(12.9)	(24.9)	(31.8)	(24.0)
Total Operating Expenses	(958.0)	(779.3)	(1,941.7)	(1,522.4)
Operating Income	€ 110.7	€ 182.2	€ 261.7	€ 397.9
Financial income (loss), net	(6.5)	0.2	(13.0)	5.3
Income before income taxes	€ 104.2	€ 182.3	€ 248.7	€ 403.3
Income tax expense	(24.1)	(51.1)	(59.4)	(114.0)
Net Income	€ 80.1	€ 131.2	€ 189.3	€ 289.3
Non-controlling interest	2.9	2.8	6.1	5.6
Net Income attributable to equity holders of the parent	€ 83.0	€ 134.1	€ 195.4	€ 294.9
Basic net income per share	0.32	0.52	0.75	1.14
Diluted net income per share	€ 0.32	€ 0.51	€ 0.74	€ 1.13
Basic weighted average shares outstanding (in millions)	260.2	259.5	260.0	259.2
Diluted weighted average shares outstanding (in millions)	262.7	261.1	262.8	260.8

⁽¹⁾ Excluding amortization of acquired intangible assets and of tangible assets revaluation

IFRS reported	Three months ended June 30, 2020		Six months ended June 30, 2020	
	Change ⁽⁴⁾	Change in constant currencies	Change ⁽⁴⁾	Change in constant currencies
Revenue	11%	10%	15%	14%
Revenue by activity				
Software revenue	13%	12%	16%	15%
Services revenue	(4)%	(4)%	6%	5%
Software Revenue by product line				
Industrial Innovation	(9)%	(9)%	(4)%	(5)%
<i>Of which CATIA</i>	(10)%	(11)%	(5)%	(6)%
<i>Of which ENOVIA ⁽²⁾</i>	(11)%	(11)%	(10)%	(11)%
Life Sciences ⁽³⁾	536%	526%	448%	437%
Mainstream Innovation	0%	(1)%	3%	1%
<i>Of which SOLIDWORKS</i>	(2)%	(3)%	1%	(0)%
Revenue by geography				
Americas	39%	37%	42%	39%
Europe	(4)%	(4)%	(0)%	(0)%
Asia	2%	1%	6%	5%

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m; YTD 2019: €7.0m)

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m; YTD 2019: €7.0m)

⁽⁴⁾ Variation compared to the same period in the prior year

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED BALANCE SHEETS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported	
	June 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	2,399.7	1,944.9
Accounts receivable, net	965.3	1,319.2
Contract assets	29.0	26.9
Other current assets	302.9	378.0
Total current assets	3,696.8	3,669.0
Property and equipment, net	920.2	899.7
Goodwill and Intangible assets, net	8,771.8	8,917.0
Other non-current assets	418.1	386.9
Total non-current assets	10,110.2	10,203.7
Total Assets	€ 13,807.0	€ 13,872.6
LIABILITIES AND EQUITY		
Accounts payable	148.3	220.0
Contract liabilities	1,164.1	1,093.5
Borrowings, current	7.8	4.4
Other current liabilities	732.8	816.0
Total current liabilities	2,053.0	2,133.8
Borrowings, non-current	4,600.1	4,596.8
Other non-current liabilities	1,790.0	1,879.4
Total non-current liabilities	6,390.1	6,476.2
Non-controlling interests	48.2	53.9
Parent shareholders' equity	5,315.7	5,208.7
Total Liabilities and equity	€ 13,807.0	€ 13,872.6

DASSAULT SYSTEMES
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (IFRS)
(unaudited; in millions of Euros)

In millions of Euros	IFRS reported					
	Three months ended			Six months ended		
	June 30, 2020	June 30, 2019	Change	June 30, 2020	June 30, 2019	Change
Net income attributable to equity holders of the parent	83.0	134.1	(51.1)	195.4	294.9	(99.5)
Non-controlling interest	(2.9)	(2.8)	(0.0)	(6.1)	(5.6)	(0.5)
Net income	80.1	131.2	(51.1)	189.3	289.3	(100.0)
Depreciation of property and equipment	42.8	33.6	9.3	91.7	65.3	26.5
Amortization of intangible assets	103.4	53.3	50.2	216.2	105.5	110.7
Adjustments for other non-cash items	20.1	18.8	1.3	69.8	47.3	22.6
Changes in working capital	150.5	168.2	(17.7)	287.9	386.3	(98.4)
Net Cash Provided by (Used in) Operating Activities	€ 397.0	€ 405.1	€ (8.1)	€ 855.0	€ 893.6	€ (38.6)
Additions to property, equipment and intangibles	(27.1)	(23.2)	(4.0)	(87.4)	(48.2)	(39.2)
Payment for acquisition of businesses, net of cash acquired	(19.5)	(2.2)	(17.3)	(19.5)	(402.8)	383.3
Other	0.6	(14.0)	14.6	2.4	(17.1)	19.5
Net Cash Provided by (Used in) Investing Activities	€ (46.0)	€ (39.4)	€ (6.7)	€ (104.4)	€ (468.1)	€ 363.7
Proceeds from exercise of stock options	23.6	32.5	(8.9)	47.3	46.0	1.3
Cash dividends paid	(182.5)	(168.8)	(13.7)	(182.5)	(168.8)	(13.7)
Repurchase and sale of treasury stock	3.4	0.6	2.9	(104.7)	9.2	(113.8)
Proceeds from borrowings	0.3	-	0.3	1.8	-	1.8
Repayment of borrowings	-	-	-	-	(0.8)	0.8
Repayment of lease liabilities	(21.8)	(20.3)	(1.5)	(47.4)	(37.3)	(10.1)
Net Cash Provided by (Used in) Financing Activities	€ (176.9)	€ (156.0)	€ (20.9)	€ (285.4)	€ (151.7)	€ (133.6)
Effect of exchange rate changes on cash and cash equivalents	(18.0)	(12.9)	(5.1)	(10.5)	9.7	(20.2)
Increase (decrease) in cash and cash equivalents	€ 156.1	€ 196.8	€ (40.7)	€ 454.8	€ 283.5	€ 171.3
Cash and cash equivalents at beginning of period	€ 2,243.5	€ 2,896.0		€ 1,944.9	€ 2,809.3	
Cash and cash equivalents at end of period	€ 2,399.7	€ 3,092.8		€ 2,399.7	€ 3,092.8	

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data and percentages)

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In millions of Euros, except per share data and percentages	Three months ended June 30,						Change	
	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 1,068.7	€ 1.9	€ 1,070.6	€ 961.4	€ 4.0	€ 965.4	11%	11%
Total Revenue breakdown by activity								
Software revenue	958.8	1.7	960.5	847.4	3.6	851.0	13%	13%
Licenses and other software revenue	169.3		169.3	248.5		248.5	(32)%	(32)%
Subscription and Support revenue	789.5	1.7	791.2	598.9	3.6	602.5	32%	31%
<i>Recurring portion of Software revenue</i>	<i>82%</i>		<i>82%</i>	<i>71%</i>		<i>71%</i>		
Services revenue	109.9	0.2	110.1	114.0	0.4	114.4	(4)%	(4)%
Total Software Revenue breakdown by product line								
Industrial Innovation	545.6	0.0	545.7	597.1		597.1	(9)%	(9)%
<i>Of which CATIA</i>	<i>251.5</i>		<i>251.5</i>	<i>280.4</i>		<i>280.4</i>	<i>(10)%</i>	<i>(10)%</i>
<i>Of which ENOVIA ⁽²⁾</i>	<i>83.5</i>		<i>83.5</i>	<i>93.4</i>		<i>93.4</i>	<i>(11)%</i>	<i>(11)%</i>
Life Sciences ⁽³⁾	192.3	1.5	193.8	30.2	0.2	30.5	536%	536%
Mainstream Innovation	220.9	0.1	221.0	220.1	3.3	223.5	0%	(1)%
<i>Of which SOLIDWORKS</i>	<i>198.5</i>		<i>198.5</i>	<i>202.8</i>		<i>202.8</i>	<i>(2)%</i>	<i>(2)%</i>
Total Revenue breakdown by geography								
Americas	412.1	1.8	413.9	295.6	3.0	298.7	39%	39%
Europe	377.8	0.1	377.9	393.8	0.9	394.7	(4)%	(4)%
Asia	278.7	0.1	278.8	272.0		272.0	2%	2%
Total Operating Expenses	€ (958.0)	€ 173.6	€ (784.3)	€ (779.3)	€ 110.1	€ (669.2)	23%	17%
Share-based compensation expense and related social charges	(59.4)	59.4	-	(34.2)	34.2	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(100.5)	100.5	-	(50.9)	50.9	-		
Lease incentives of acquired companies	(0.7)	0.7	-	-	-	-		
Other operating income and expense, net	(12.9)	12.9	-	(24.9)	24.9	-		
Operating Income	€ 110.7	€ 175.6	€ 286.2	€ 182.2	€ 114.1	€ 296.2	(39)%	(3)%
Operating Margin	10.4%		26.7%	18.9%		30.7%		
Financial income (loss), net	(6.5)	0.3	(6.2)	0.2	(0.2)	(0.1)	N/A	N/A
Income tax expense	(24.1)	(46.2)	(70.3)	(51.1)	(32.2)	(83.3)	(53)%	(16)%
Non-controlling interest	2.9	(1.3)	1.6	2.8	(1.6)	1.2	1%	33%
Net Income attributable to shareholders	€ 83.0	€ 128.4	€ 211.4	€ 134.1	€ 79.9	€ 214.0	(38)%	(1)%
Diluted Net Income Per Share ⁽⁵⁾	€ 0.32	€ 0.49	€ 0.80	€ 0.51	€ 0.31	€ 0.82	(38)%	(2)%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangible assets and of tangible assets revaluation, share-based compensation expense and related social charges, and lease incentives of acquired companies, as detailed below, and other operating income and expense, net including impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

In millions of Euros, except percentages	Three months ended June 30,							Change		
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(184.3)	2.1	0.2	(182.0)	(150.4)	1.5	-	(148.8)	23%	22%
Research and development	(243.4)	23.0	0.3	(220.1)	(176.9)	14.0	-	(162.9)	38%	35%
Marketing and sales	(315.9)	16.6	0.1	(299.2)	(300.5)	10.7	-	(289.8)	5%	3%
General and administrative	(101.0)	17.8	0.2	(83.0)	(75.7)	8.0	-	(67.7)	34%	23%
Total		€ 59.4	€ 0.7			€ 34.2	€ -			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m).

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (Q2 2019: €3.7m).

⁽⁴⁾ The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.

⁽⁵⁾ Based on a weighted average 262.7 million diluted shares for Q2 2020 and 261.1 million diluted shares for Q2 2019.

DASSAULT SYSTEMES
SUPPLEMENTAL NON-IFRS FINANCIAL INFORMATION
IFRS – NON-IFRS RECONCILIATION

(unaudited; in millions of Euros, except per share data and percentages)

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In millions of Euros, except per share data and percentages	Six months ended June 30,						Change	
	2020 IFRS	Adjustment ⁽¹⁾	2020 Non-IFRS	2019 IFRS	Adjustment ⁽¹⁾	2019 Non-IFRS	IFRS	Non-IFRS ⁽⁴⁾
Total Revenue	€ 2,203.3	€ 11.6	€ 2,215.0	€ 1,920.3	€ 9.1	€ 1,929.4	15%	15%
Total Revenue breakdown by activity								
Software revenue	1,973.0	10.5	1,983.5	1,702.7	7.8	1,710.5	16%	16%
Licenses and other software revenue	341.5		341.5	461.8		461.8	(26)%	(26)%
Subscription and Support revenue	1,631.4	10.5	1,641.9	1,240.9	7.8	1,248.7	31%	31%
<i>Recurring portion of Software revenue</i>	<i>83%</i>		<i>83%</i>	<i>73%</i>		<i>73%</i>		
Services revenue	230.4	1.1	231.5	217.6	1.3	218.9	6%	6%
Total Software Revenue breakdown by product line								
Industrial Innovation	1,150.0	0.8	1,150.7	1,202.2		1,202.2	(4)%	(4)%
<i>Of which CATIA</i>	<i>521.8</i>	<i>0.8</i>	<i>522.6</i>	<i>550.5</i>		<i>550.5</i>	<i>(5)%</i>	<i>(5)%</i>
<i>Of which ENOVIA ⁽²⁾</i>	<i>164.1</i>		<i>164.1</i>	<i>182.4</i>		<i>182.4</i>	<i>(10)%</i>	<i>(10)%</i>
Life Sciences ⁽³⁾	379.4	9.3	388.8	69.2	0.5	69.7	448%	457%
Mainstream Innovation	443.5	0.4	444.0	431.2	7.3	438.5	3%	1%
<i>Of which SOLIDWORKS</i>	<i>400.0</i>		<i>400.0</i>	<i>394.2</i>		<i>394.2</i>	<i>1%</i>	<i>1%</i>
Total Revenue breakdown by geography								
Americas	856.7	11.0	867.7	602.7	7.1	609.7	42%	42%
Europe	799.0	0.3	799.4	802.2	2.0	804.2	(0)%	(1)%
Asia	547.6	0.3	547.9	515.5		515.5	6%	6%
Total Operating Expenses	€ (1,941.7)	€ 347.1	€ (1,594.6)	€ (1,522.4)	€ 205.6	€ (1,316.8)	28%	21%
Share-based compensation expense and related social charges	(103.8)	103.8	-	(80.5)	80.5	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(209.9)	209.9	-	(101.0)	101.0	-		
Lease incentives of acquired companies	(1.5)	1.5	-	-	-	-		
Other operating income and expense, net	(31.8)	31.8	-	(24.0)	24.0	-		
Operating Income	€ 261.7	€ 358.7	€ 620.4	€ 397.9	€ 214.7	€ 612.6	(34)%	1%
Operating Margin	11.9%		28.0%	20.7%		31.8%		
Financial income (loss), net	(13.0)	0.5	(12.5)	5.3	(1.2)	4.1	(344)%	(402)%
Income tax expense	(59.4)	(90.7)	(150.1)	(114.0)	(64.5)	(178.5)	(48)%	(16)%
Non-controlling interest	6.1	(2.6)	3.5	5.6	(3.4)	2.2	8%	59%
Net Income attributable to shareholders	€ 195.4	€ 266.0	€ 461.4	€ 294.9	€ 145.6	€ 440.5	(34)%	5%
Diluted Net Income Per Share ⁽⁵⁾	€ 0.74	€ 1.01	€ 1.76	€ 1.13	€ 0.56	€ 1.69	(34)%	4%

⁽¹⁾ In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the deferred revenue adjustment of acquired companies; (ii) adjustments to IFRS operating expense data reflect the exclusion of the amortization of acquired intangible assets and of tangible assets revaluation, share-based compensation expense and related social charges, and lease incentives of acquired companies, as detailed below, and other operating income and expense, net including impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial revenue and other, net reflect the exclusion of certain one-time items included in financial revenue and other, net, and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted net income per share, certain one-time tax effects and the income tax effect of the non-IFRS adjustments.

In millions of Euros, except percentages	Six months ended June 30,						Change			
	2020 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2020 Non-IFRS	2019 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2019 Non-IFRS	IFRS	Non-IFRS
Cost of revenue	(380.7)	6.0	0.4	(374.3)	(296.1)	3.5	-	(292.6)	29%	28%
Research and development	(473.6)	36.8	0.7	(436.2)	(357.2)	34.9	-	(322.3)	33%	35%
Marketing and sales	(647.2)	30.2	0.2	(616.8)	(591.7)	23.1	-	(568.6)	9%	8%
General and administrative	(198.4)	30.9	0.2	(167.3)	(152.3)	19.0	-	(133.3)	30%	26%
Total		€ 103.8	€ 1.5			€ 80.5	€ -			

⁽²⁾ Excluding ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €7.0m).

⁽³⁾ Including ENOVIA Life Sciences Compliance and Quality Management (YTD 2019: €7.0m).

⁽⁴⁾ The non-IFRS percentage increase (decrease) compares non-IFRS measures for the two different periods. In the event there is non-IFRS adjustment to the relevant measure for only one of the periods under comparison, the non-IFRS increase (decrease) compares the non-IFRS measure to the relevant IFRS measure.

⁽⁵⁾ Based on a weighted average 262.8 million diluted shares for H1 2020 and 260.8 million diluted shares for H1 2019.