



HALF-YEAR FINANCIAL REPORT

JUNE 30, 2022

European company
Share capital: 133,306,419 euros
Registered Office: 10, rue Marcel Dassault – 78140 Vélizy-Villacoublay – France
Versailles Commercial Register under No. 322 306 440

This document is comprised of the English language translation of Dassault Systèmes' Half Year Report, which was filed with the AMF (French Financial Markets Authority) on July 26, 2022 in accordance with Article L.451-1-2 III of the French Monetary and Financial Code.

Only the French version of the Half Year Report is legally binding.

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1 RESPONSIBILITY

1.1 Person Responsible for the Half Year Financial Report

Bernard Charlès, Vice-Chairman of the Board of Directors and Chief Executive Officer.

1.2 Statement by the Person Responsible for the Half Year Financial Report

Vélizy-Villacoublay, July 26, 2022

"I hereby declare that, to the best of my knowledge, the 2022 half-year condensed financial statements have been prepared in accordance with the applicable generally accepted accounting standards and provide a true and fair view of the Company's financial position and results of operations and those of all companies included within the scope of consolidation, and that the half year activity report reflects a true view of important events which occurred during the first six months of the year and of their impact on the half year financial statements, of the principal transactions between related parties, as well as the main risks and uncertainties for the remaining six months of the year."

Bernard Charlès

Vice-Chairman of the Board of Directors and Chief Executive Officer

2 HALF YEAR ACTIVITY REPORT

As used herein, “Dassault Systèmes”, the “Company”, the “Group” and “we” refers to Dassault Systèmes SE and all the companies included in the scope of consolidation. “Dassault Systèmes SE” refers only to the European parent company governed by French law of the Group.

2.1 Profile of Dassault Systèmes, the 3DEXPERIENCE Company

The purpose of Dassault Systèmes is to provide business and people with 3DEXPERIENCE universes to imagine sustainable innovations capable of harmonizing product, nature and life. Dassault Systèmes, the “3DEXPERIENCE Company”, is a global leader in sustainable innovation providing a virtual experience platform that allows customers to create innovative products and services, and ultimately address the major challenges faced by the three main sectors of the economy: Manufacturing Industries, Life Sciences & Healthcare, Infrastructure & Cities. Since 1981, the software solutions of Dassault Systèmes transform the way products are designed, simulated, produced, marketed and used, leveraging the virtual world to improve the real world.

Dassault Systèmes is a science based, innovation driven, business minded and long term oriented company. The Company's 21,000 employees all share this same ambition. This also translates into a high level of market confidence and trust among our 300,000 enterprise customers in more than 130 countries. We are a European company with a global presence and market reach.

2.2 Risk Factors

The main risks and uncertainties to which the Group may be exposed during the remaining six months of fiscal year 2022 are presented in Section 1.9 “Risk Factors” of the Company's 2021 Universal registration document filed with the *Autorité des marchés financiers* (“AMF”, the French Financial Markets Authority) on March 17, 2022 and also available on our website www.3ds.com, it being specified that certain information relating to foreign currency and interest rate risks mentioned in said Universal registration document are updated in Note 14 to the Condensed consolidated financial statements for the half-year ended June 30, 2022 “Derivatives and Currency and Interest Rate Risk Management”, under Chapter 3 of this Half Year Report “Condensed Consolidated Financial Statements for the Half Year ended June 30, 2022”.

2.3 Financial Performance Review

The executive overview in paragraph 2.3.1. “First Half 2022 Executive Overview” highlights selected aspects of our business during the first six months of 2022. Financial Information and definitions should be read together with our Condensed consolidated financial statements and the related notes included in chapter 3 of this Half Year Report “Condensed Consolidated Financial Statements for the Half Year ended June 30, 2022”, prepared in accordance with IFRS accounting rules. Unless otherwise indicated, financial information is presented in IFRS.

The supplemental non-IFRS financial information are subject to inherent limitations. They are not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. In addition, Dassault Systèmes' non-IFRS supplementary financial data may not be comparable to other data also called “non-IFRS” and used by other companies. A number of specific limitations relating to these measures are detailed in paragraph 2.3.2.2 “Supplemental Non-IFRS Financial Information”.

Non-IFRS financial information definitions can be found in paragraph 2.3.2.2 “Supplemental Non-IFRS Financial Information”. The reconciliation between this financial information and the IFRS framework can be found in paragraph 2.3.4 “IFRS – Non-IFRS Reconciliation”.

Unless otherwise indicated, variations in the following tables are related to current exchange rates.

2.3.1 First Half 2022 Executive Overview

(in millions of euros, except per share data and percentages)	IFRS				Non-IFRS			
	H1 2022	H1 2021	Change	Change in cc ⁽²⁾	H1 2022	H1 2021	Change	Change in cc ⁽²⁾
Total Revenue	€ 2,708.5	€ 2,333.7	16%	10%	€ 2,708.6	€ 2,335.1	16%	10%
Software Revenue	2,455.6	2,118.5	16%	10%	2,455.8	2,119.7	16%	9%
Services Revenue	252.8	215.2	18%	12%	252.8	215.4	17%	11%
Operating Margin	23.9%	19.9%	+4.0 pt		33.5%	33.0%	+0.4 pt	
Diluted net earnings per share ("EPS") ⁽¹⁾	€ 0.29	€ 0.27	9%		€ 0.54	€ 0.44	20%	13%

(1) 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

(2) in constant currencies.

2.3.2 Financial information definitions

2.3.2.1 Definitions of Key Metrics We Use

Information in Constant Currencies

We have 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 activity, industry, geography 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 expenses (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 currencies 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 include this calculation for comparing IFRS revenue figures for comparable periods as well as for comparing non-IFRS revenue figures for comparable periods. All information at constant exchange rates are expressed as a rounded percentage and therefore may not precisely reflect the absolute figures.

Information on Growth excluding acquisitions ("organic growth")

In addition to financial indicators on the entire Group's scope, Dassault Systèmes provides growth excluding acquisitions effect, also named organic growth. In order to do so, the data relating to the scope is restated excluding acquisitions, from the date of the transaction, over a period of 12 months.

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;
- **Life Sciences & Healthcare:** Life Sciences & Healthcare;
- **Infrastructure & Cities:** Infrastructure, Energy & Materials; Architecture, Engineering & Construction; Cities, Public & Business Services.

Information on Product Lines

Our product lines include the following financial information:

- Industrial Innovation software revenue, which includes our CATIA, ENOVIA, SIMULIA, DELMIA, GEOVIA, NETVIBES and 3DEXCITE brands;
- Life Sciences software revenue, which includes our MEDIDATA and BIOVIA brands;
- Mainstream Innovation software revenue, comprised of our CENTRIC PLM and 3DVIA brands, as well as our 3DEXPERIENCE WORKS family which includes the SOLIDWORKS brand.

3DEXPERIENCE Licenses and Software Contribution

To measure the progressive penetration of 3DEXPERIENCE software, we use the following ratios:

- for licenses revenue, we calculate the contribution percentage by comparing total 3DEXPERIENCE licenses revenue to licenses revenue for all product lines except SOLIDWORKS and acquisitions (“related licenses revenue”);
- 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”).

Cloud Revenue

Cloud revenues correspond to revenue generated through a catalog of online services delivered by Dassault Systèmes via a cloud infrastructure hosted by Dassault Systèmes, or by third party providers of cloud computing infrastructure services. This offering is available through different deployment methods: Public cloud, Private cloud, Dedicated cloud. All cloud applications can be offered through perpetual licenses and maintenance or subscriptions models.

2.3.2.2 Supplemental Non-IFRS Financial Information

In discussing and analyzing the results of its operations, our Management considers supplemental non-IFRS financial information: (i) non-IFRS revenue data excludes the effect of adjusting the carrying value of acquired companies’ contract liabilities (deferred revenue); and non-IFRS expense data excludes, (ii) the amortization of acquired intangibles assets and of tangible assets revaluation, (iii) share-based compensation expense and related social charges, (iv) lease incentives of acquired companies, (v) and other operating income and expense, net, including acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets, (vi) certain one-time items included in financial loss, net, and (vii) certain one-time tax effects and the income tax expense of the above adjustments. A reconciliation of this supplemental non-IFRS financial information with information set forth in the Company’s consolidated financial statements and the notes thereto is presented below under paragraph 2.3.4 “IFRS – non-IFRS Reconciliation”.

Our management uses the supplemental non-IFRS financial information, together with the IFRS financial information, for financial planning and analysis, evaluation of our operating performance, mergers and acquisition analysis and valuation, operational decision-making and for setting financial objectives for future periods. Compensation of our senior management is based in part on the performance of our business measured with the supplemental non-IFRS information. We believe that the supplemental non-IFRS data also provides meaningful information to investors and financial analysts who use the information for comparing the Group’s operating performance to its historical trends and to other companies in the software industry, as well as for valuation purposes.

Readers are cautioned that the supplemental non-IFRS financial information is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered in isolation from or as a substitute for IFRS measurements. The supplemental non-IFRS financial information should be read only in conjunction with the Company’s consolidated financial statements prepared in accordance with IFRS. Furthermore, the Group’s supplemental non-IFRS financial information may not be comparable to similarly titled “non-IFRS” measures used by other companies. Specific limitations for individual non-IFRS measures are set forth in the Company’s 2021 Universal registration document.

2.3.3 Consolidated Information: Financial Review of First Half 2022 compared to First Half 2021

2.3.3.1 Revenue

<i>(in millions of euros, except per share data and percentages)</i>	IFRS				Non-IFRS			
	For the First Half Ended June 30,		Change	Change in cc*	For the First Half Ended June 30,		Change	Change in cc*
	2022	2021			2022	2021		
Total Revenue	€ 2,708.5	€ 2,333.7	16%	10%	€ 2,708.6	€ 2,335.1	16%	10%
Revenue breakdown by activity								
Software revenue	2,455.6	2,118.5	16%	10%	2,455.8	2,119.7	16%	9%
<i>of which licenses and other software revenue</i>	506.2	426.9	19%	12%	506.2	426.9	19%	12%
<i>of which subscription and support revenue</i>	1,949.4	1,691.6	15%	9%	1,949.5	1,692.7	15%	9%
Services revenue	252.8	215.2	18%	12%	252.8	215.4	17%	11%
Software revenue breakdown by product line								
Industrial Innovation	1,316.6	1,180.2	12%	8%	1,316.6	1,180.2	12%	8%
Life Sciences	529.1	427.3	24%	14%	529.1	428.3	24%	13%
Mainstream Innovation	609.8	511.0	19%	10%	610.0	511.2	19%	10%
Revenue breakdown by geography								
Americas	1,087.9	911.4	19%	8%	1,088.0	912.7	19%	8%
Europe	962.3	856.5	12%	9%	962.3	856.6	12%	9%
Asia	658.2	565.7	16%	14%	658.2	565.8	16%	14%

* in constant currencies

In the below paragraphs, all revenue growth rates are in constant currencies.

Total Revenue

IFRS and non-IFRS total revenue increased 10% on software revenue growth of 10% in IFRS (9% in non-IFRS) and services revenue growth of 12% (11% in non-IFRS). In both IFRS and non-IFRS software revenue represented 91% and services 9% of total revenue. Currency had a positive impact of approximately 6 percentage points in both IFRS and non-IFRS on total revenue growth.

Software Revenue by Activity

IFRS software revenue increased 10%. On a non-IFRS basis, software revenue of €2.46 billion was up 9%. IFRS and Non-IFRS recurring software revenue of €1.95 billion, representing 79% of IFRS and non-IFRS software revenue in the first half, grew by 9%, with strong subscription performance and strengthening support revenue. Licenses and other software revenue increased 12% (IFRS and non-IFRS) to €506.2 million on a strong comparison base.

Software Revenue by Product Line

Industrial Innovation IFRS and non-IFRS software revenue rose 8% to €1.32 billion, representing 54% of software revenue. CATIA grew double digits, with cyber systems continuing to demonstrate strong momentum. ENOVIA and DELMIA also performed very well in the First Half of the year, with DELMIA benefiting from increased demand from clients seeking to improve manufacturing efficiency and resiliency.

Life Sciences software revenue grew 14% in IFRS and 13% in non-IFRS to €529.1 million, representing 22% of software revenue. MEDIDATA delivered an excellent IFRS and non-IFRS software revenue growth of 15% in the first half and against a strong comparison base. MEDIDATA continues to experience strong momentum across its product portfolio including MEDIDATA Rave, MEDIDATA AI and MEDIDATA Patient Cloud, as well as across end markets including pharmaceutical and biotechnology companies and contract research organizations (CRO s).

Mainstream Innovation software revenue increased 10% (IFRS and non-IFRS) to €609.8 million in IFRS and €610.0 million in non-IFRS and represented 25% of software revenue. SOLIDWORKS continued to perform well, growing high single digits against a high comparison base. The sustained momentum of CENTRIC PLM was accompanied by further diversification in food and beverage.

Software Revenue by Geography (both IFRS and non-IFRS)

Americas' software revenue recorded a solid performance with 8% growth, driven by subscription revenue and Life Sciences, Aerospace and Defense and Industrial Equipment. It represented 40% of software revenue. Europe software revenue rose 9% to 35% of software revenue, a broad-based performance despite Russia's situation (Russia representing less than 0.5% of non-IFRS revenues in 2021). Asia software revenue increased 13% to 25% of software revenue, highlighting a strong performance despite the China second quarter lockdowns.

Key Strategic Drivers (non-IFRS)

3DEXPERIENCE software revenue increased 23% and represents 31% of software revenue with subscription revenues up sharply. Cloud software revenue grew 22%, more than twice total revenue growth, to represent 22% of software revenue. 3DEXPERIENCE and cloud are critical enablers of the virtual twin experience. They accelerate innovation and transformations and enable clients to scale rapidly. These have been significant factors in driving our win rates in competitive situations.

2.3.3.2 Operating expenses

	IFRS			Non-IFRS		
	For the First Half Ended June 30,		Change	For the First Half Ended June 30,		Change
	2022	2021		2022	2021	
<i>(in millions of euros, except percentages)</i>						
Cost of software revenue (excluding amortization of acquired intangibles and of tangible assets revaluation)	€(224.1)	€(197.7)	13%	€(220.9)	€(192.9)	15%
(as % of total revenue)	(8%)	(8%)		(8%)	(8%)	
Cost of services revenue	€(216.3)	€(193.4)	12%	€(215.7)	€(190.9)	13%
(as % of total revenue)	(8%)	(8%)		(8%)	(8%)	
Research and development expenses	€(518.3)	€(466.4)	11%	€(496.8)	€(431.7)	15%
(as % of total revenue)	(19%)	(20%)		(18%)	(18%)	
Marketing and sales expenses	€(705.6)	€(619.3)	14%	€(687.3)	€(591.2)	16%
(as % of total revenue)	(26%)	(27%)		(25%)	(25%)	
General and administrative expenses	€(199.5)	€(189.8)	5%	€(181.4)	€(157.2)	15%
(as % of total revenue)	(7%)	(8%)		(7%)	(7%)	
Amortization of acquired intangible assets and of tangible assets revaluation	€(195.5)	€(178.8)	9%	€ -	€ -	N/A
Other operating income and (expense), net	€(2.7)	€(24.1)	(89%)	€ -	€ -	N/A
Total Operating Expenses	€(2,062.1)	€(1,869.5)	10%	€(1,802.2)	€(1,563.8)	15%

The increase in cost of software revenue (excluding amortization of acquired intangibles) mostly reflected headcount growth and related costs and a negative currency effect of 8 percentage points (IFRS and non-IFRS). At constant currency, IFRS cost of software revenue increased 5% (6% in non-IFRS).

The increase in cost of services was largely due to higher compensation costs to support business activity and to a negative currency effect of 6 percentage points (IFRS and non-IFRS). At constant currency, cost of services revenue increased 6% in IFRS and 7% in non-IFRS while services revenue increased 12% in IFRS and 11% in non-IFRS.

Costs for R&D of software are expensed in the period in which they are incurred. We do not capitalize any R&D costs. For the 2022 First Half, the increase in R&D expenses mostly reflected headcount growth and related costs and a negative currency effect of 5 percentage points (IFRS and non-IFRS). At constant currency, IFRS and non-IFRS R&D expenses grew respectively 6% and 10%.

The increase in marketing and sales expenses was mostly due to workforce growth, to higher travel costs in line with business activity and marketing events, and to a negative currency effect of 5 percentage points (in both IFRS and non-IFRS). At constant currency, IFRS and non-IFRS sales and marketing expenses increased respectively 9% and 11%.

The increase in general and administrative expenses mostly reflected headcount growth, recruiting costs and a negative currency effect of 4 percentage points (IFRS and non-IFRS). At constant currency, IFRS and non-IFRS general and administrative expenses increased, respectively by 2% and 11%.

IFRS Amortization of acquired intangibles increased in the First Half, reflecting a negative currency effect.

Other operating income and (expense), net decreased in the 2022 First Half with lower non-recurring (costs related to relocation and reorganization, acquisition, restructuring and in connection with voluntary early retirement and end of career multi-year plan).

2.3.3.3 Operating income

	IFRS			Non-IFRS		
	For the First Half Ended June 30,		Change	For the First Half Ended June 30,		Change
	2022	2021		2022	2021	
<i>(in millions of euros, except percentages)</i>						
Operating income	€ 646.4	€ 464.2	39%	€ 906.4	€ 771.2	18%
Operating margin (as % of total revenue)	23.9%	19.9%		33.5%	33.0%	

The increase in IFRS operating margin was largely due to a positive currency effect, a higher total revenue, a good operating growth cost control, lower share based compensation expenses and related social charges and lower non-recurring expenses.

The increase in non-IFRS operating margin mainly reflected a net positive currency impact of about 40 basis points.

2.3.3.4 Financial loss, net

	IFRS			Non-IFRS		
	For the First Half Ended June 30,		Change	For the First Half Ended June 30,		Change
	2022	2021		2022	2021	
<i>(in millions of euros, except percentages)</i>						
Financial loss, net	€(9.7)	€(8.0)	22%	€(9.0)	€(7.2)	25%

Under IFRS and non-IFRS basis, the degradation of the financial income is mainly due to adverse change effects over the First Half of 2022, which more than offset the favorable effect of the increase in interest rates yielded on the investments of cash and cash equivalents and the decrease in interest costs resulting from the early repayment of the bank loans issued as part of the acquisition of Medidata Solutions, Inc. successively in July 2021, January and February 2022.

2.3.3.5 Income tax expense

	IFRS			Non-IFRS		
	For the First Half Ended June 30,		Change	For the First Half Ended June 30,		Change
	2022	2021		2022	2021	
<i>(in millions of euros, except percentages)</i>						
Income tax expense	€ 249.1	€ 99.7	150%	€ 188.3	€ 173.3	9%
Effective consolidated tax rate	39.1%	21.9%		21.0%	22.7%	

In IFRS, the income tax expense has increased mainly due to the write-off of the amounts paid in the previous fiscal years to the French tax administration, for a total €144.9 million, following the unfavorable decisions rendered by the French Supreme Court (Conseil d'Etat) on May 31, 2022, in response to an appeal lodged by the Group. This loss, with no cash impact in 2022, is not reflected in the Non-IFRS tax expense (see paragraph 2.5 "2022 First Half Significant Events - End of a tax dispute relating to fiscal years 2008-2013 with no cash impact").

In non-IFRS the income tax expense has increased following the income before income taxes growth partially offset by the effective tax rate decrease mainly as a result of the corporate income tax rate reduction in France.

2.3.3.6 Net income and net income per diluted share

	IFRS			Non-IFRS		
	For the First Half Ended June 30,		Change	For the First Half Ended June 30,		Change
	2022	2021		2022	2021	
<i>(in millions of euros, except per share data and percentages)</i>						
Net Income attributable to Equity holders of the Group	€ 388.3	€ 357.1	9%	€ 709.3	€ 588.6	21%
Diluted earnings per share*	€ 0.29	€ 0.27	9%	€ 0.54	€ 0.44	20%
Diluted weighted average number of shares outstanding (in millions)*	1,324.3	1,323.6	-	1,324.3	1,323.6	-

* 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

First Half 2022 Non-IFRS diluted earnings per share improved to €0.54, above the Group's objectives and grew 20% at constant exchange rates and 13% in constant currencies.

2.3.4 IFRS non-IFRS reconciliation

The following table sets forth the Company's supplemental non-IFRS financial information, together with the comparable IFRS financial measure and a reconciliation of the IFRS and non-IFRS information.

	For the First Half Ended June 30,						Change	
	2022 IFRS	Adjustment ⁽¹⁾	2022 Non-IFRS	2021 IFRS	Adjustment ⁽¹⁾	2021 Non-IFRS	IFRS	Non-IFRS ⁽²⁾
<i>(in millions of euros, except per share data and percentages)</i>								
Total Revenue	€ 2,708.5	€ 0.1	€ 2,708.6	€ 2,333.7	€ 1.4	€ 2,335.1	16%	16%
Revenue breakdown by activity								
Software revenue	2,455.6	0.1	2,455.8	2,118.5	1.2	2,119.7	16%	16%
Licenses and other software	506.2	-	506.2	426.9	-	426.9	19%	19%
Subscription and Support	1,949.4	0.1	1,949.5	1,691.6	1.2	1,692.7	15%	15%
<i>Recurring portion of Software revenue</i>	79%		79%	80%		80%		
Services revenue	252.8	-	252.8	215.2	0.2	215.4	18%	17%
Software Revenue breakdown by product line								
Industrial Innovation	1,316.6	-	1,316.6	1,180.2	-	1,180.2	12%	12%
Life Sciences	529.1	-	529.1	427.3	1.0	428.3	24%	24%
Mainstream Innovation	609.8	0.1	610.0	511.0	0.2	511.2	19%	19%
Revenue breakdown by geography								
Americas	1,087.9	0.1	1,088.0	911.4	1.3	912.7	19%	19%
Europe	962.3	-	962.3	856.5	0.1	856.6	12%	12%
Asia	658.2	-	658.2	565.7	-	565.8	16%	16%
Total Operating Expenses	(2,062.1)	259.9	(1,802.2)	(1,869.5)	305.7	(1,563.8)	10%	15%
Share-based compensation expense and related social charges	(60.2)	60.2	-	(101.4)	101.4	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(195.5)	195.5	-	(178.8)	178.8	-		
Lease incentives of acquired companies	(1.5)	1.5	-	(1.4)	1.4	-		
Other operating income and expense, net	(2.7)	2.7	-	(24.1)	24.1	-		
Operating Income	646.4	260.0	906.4	464.2	307.1	771.2	39%	18%
Operating Margin	23.9%		33.5%	19.9%		33.0%		
Financial loss, net	(9.7)	0.7	(9.0)	(8.0)	0.8	(7.2)	22%	25%
Income before income taxes	636.7	260.8	897.4	456.2	307.8	764.0	40%	17%
Income tax expense	(249.1)	60.8	(188.3)	(99.7)	(73.6)	(173.3)	150%	9%
Non-controlling interest	0.7	(0.6)	0.2	0.5	(2.7)	(2.2)	34%	(107%)
Net Income attributable to shareholders	€ 388.3	€ 321.0	€ 709.3	€ 357.1	€ 231.5	€ 588.6	9%	21%
Diluted net income per share⁽³⁾	€ 0.29	€ 0.24	€ 0.54	€ 0.27	€ 0.17	€ 0.44	9%	20%

(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 intangibles assets and of tangible assets revaluation, share-based compensation expense and related social charges, and the effect of adjusting the lease incentives of acquired companies, as detailed below, and other operating income and expense, net including acquisition, integration and restructuring expenses, and impairment of goodwill and acquired intangible assets (iii) adjustments to IFRS financial loss, net reflect the exclusion of certain one-time items and (iv) all adjustments to IFRS net 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.

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

(3) Based on a weighted average of 1,324.3 diluted shares for the 2022 First Half and 1,323.6 million diluted shares for the 2021 First Half. 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

For the First Half Ended June 30,

	2022 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2022 non-IFRS	2021 IFRS	Share-based compensation expense and related social charges	Lease incentives of acquired companies	2021 non-IFRS
<i>(in millions of euros)</i>								
Cost of revenue	(440.4)	3.3	0.5	(436.6)	€(391.1)	€ 6.9	€ 0.4	€(383.8)
Research and development expenses	(518.3)	20.9	0.6	(496.8)	(466.4)	34.1	0.6	(431.7)
Marketing and sales expenses	(705.6)	18.0	0.2	(687.3)	(619.3)	27.9	0.2	(591.2)
General and administrative expenses	(199.5)	17.9	0.2	(181.4)	(189.8)	32.5	0.1	(157.2)
Total		60.2	1.5			€ 101.4	€ 1.4	

2.3.5 Variability in Quarterly Financial Results

Our quarterly licenses revenue growth may have varied significantly in the past and may vary significantly in the future. Quarterly licensing revenue growth reflects business seasonality, clients' decision processes, licenses and subscription licensing mix and timing and mix of multi-year on-premise software contracts. Services revenue activity also vary significantly by quarter reflecting clients' decision processes as well as our decisions regarding service engagements to be performed by us or by system integrators we work with.

Our total software revenue growth has generally been less sensitive to quarterly variation due to the significant level of recurring software revenue, which comprises subscription revenue and support revenue. IFRS and non-IFRS Recurring software revenue represented 79% and 80% of total software revenue for the First Half of 2022 and 2021, respectively but could be subject to renewal delays. With the implementation of IFRS 15 effective as of January 1, 2018, sequential comparisons of our recurring software revenue growth need, however, to take into account the fact that a high proportion of on-premise, subscription software contracts renew for an annual period as of January 1st. Therefore, under IFRS 15 we record a higher percentage of the annual amount of on-premise subscription in the first quarter. In addition, year-over-year growth comparisons may be impacted by changes in the timing of on premise subscription renewals.

<i>(in millions of euros, except percentages)</i>	IFRS						Non-IFRS					
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	2Q	3Q	4Q	1Q	2Q
	2021	2021	2021	2021	2022	2022	2021	2021	2021	2021	2022	2022
Licenses and Other Software	203.8	223.1	208.3	347.6	234.7	271.6	203.8	223.1	208.3	347.6	234.7	271.6
Subscription & Support Revenue	864.0	827.6	836.3	891.8	970.9	978.5	864.6	828.2	836.4	891.9	970.9	978.6
Software Revenue	€1,067.8	€1,050.7	€1,044.6	€1,239.5	€1,205.5	€1,250.1	€1,068.4	€1,051.3	€1,044.7	€1,239.6	€1,205.6	€1,250.2

A significant portion of license sales typically occurs in the last month of each quarter, and we normally experience our highest licenses sales for the fourth calendar quarter. Therefore, software revenue, total revenue, operating income, operating margin and net income have generally been higher in the fourth quarter of each year.

Acquisitions and divestitures can also cause the different elements of our revenue to vary from quarter to quarter. Rapid changes in currency exchange rates can also cause reported revenue, operating income and diluted net income per share and their respective reported growth rates to vary from quarter to quarter.

Therefore, it is possible that our quarterly total revenue vary significantly and that our net income vary significantly, reflecting the change in revenues, together with the effects of our investment plans. Refer to paragraphs 1.9.1.1 "Uncertain Global Economic Environment" and 1.9.1.11 "Variability in Dassault Systèmes' Quarterly Operating Income" in Risk Factors in our 2021 Universal registration document.

2.3.6 Capital Resources

We have a significant financial flexibility thanks to our available cash and short-term investments position and strong level of cash flow generation. The main uses of cash are for acquisitions, repayment of debt, cash dividends and for the repurchase of treasury stocks, to be delivered as part of performance share plans granted.

Our net financial position improved to €(0.49) billion on June 30, 2022, compared to €(0.89) billion on December 31, 2021, with an increase in cash and cash equivalents and short-term investments of €0.18 billion to €3.16 billion from €2.98 billion, less debt related to borrowings of €3.64 billion compared to €3.87 billion on December 31, 2021.

On April 27, 2022, Standard & Poors Global Ratings raised their rating from “A-” to “A” with a stable outlook for Dassault Systèmes SE and its long term debt, demonstrating the Group capacity for a rapid deleveraging.

For the 2022 First Half, our main sources of liquidity came from the cash generated by the business, amounting to €1.05 billion (H1 2021: €1.03 billion), from a €198.6 million capital increase (H1 2021: nil) as part of the employee shareholding plan “TOGETHER”, and from the exercise of stock options for €25.8 million (H1 2021: €74.9 million). During the 2022 First Half, cash obtained from operations was used principally for:

- repurchase of treasury shares for €602.4 million (H1 2021: €94.4 million) to neutralize the dilutive effect of the share-based compensation plans and employee shareholding plan “TOGETHER”,
- the anticipated reimbursement of the remaining term loans €238.4 million (H1 2021: €11.3 million),
- cash dividends of €223.5 million (H1 2021: €147.1 million),
- capital expenditures of €62.7 million (H1 2021: €56.8 million), and for payment for lease obligations of €49.8 million (H1 2021: €49.2 million).

Exchange rate fluctuations, in particular the US dollar, had a positive conversion effect on cash and cash equivalent balances of €115.7 million as of June 30, 2022, compared to a positive conversion effect of €29.9 million as of June 30, 2021.

We follow a conservative policy for investing our cash resources, mostly relying on investment-grade short-term maturity investments from major banks and financial institutions.

Refer also to the Consolidated Statements of Cash Flows presented in Chapter 3 “Condensed Consolidated Financial Statements for the half-year ended June 30, 2022”.

2.4 Related party transactions

Related party transactions were identified and described in the 2021 Universal registration document, in Chapter 4.1.1 “Consolidated Financial Statements”, Note 25 “Related-Party Transactions”. No new related party transaction occurred during the 2022 First Half.

The transactions entered into with Dassault Aviation, and mentioned in the 2021 Universal registration document, continued during the first six months of 2022. There was no modification which could significantly impact the financial position or the income of Dassault Systèmes during the 2022 First Half.

2.5 2022 First Half Significant Events

Significant events

End of a tax dispute relating to fiscal years 2008-2013 with no cash impact

On May 31, 2022 the French Supreme Court (Conseil d'Etat) rendered two decisions resulting in reclassification of the nature of the amounts received by Dassault Systèmes SE in respect of preferred shares issued by its subsidiaries in the United States during the acquisition of the American companies, Abaqus and MatrixOne, in 2005 and 2006, thus depriving Dassault Systèmes of the benefit of the participation exemption regime, which is, in principle, the common law regime applied to dividends received from French and foreign subsidiaries.

These decisions marked the end a long procedure, during which the tax administration changed its position several times and, which had given rise to an initial favorable decision on September 9, 2020.

Dassault Systèmes disagrees with the new technical analysis of the Supreme Court but takes note of these decisions, which have no impact on its Non-IFRS net income or on its IFRS cash flow statement, as all amounts have already been paid to the French tax authorities.

A description of this dispute has been included in the Consolidated financial statements since 2014 (refer to the 2014 Registration Document, Note 25, p. 119), and has been regularly updated (see the latest update in the Universal Registration Document 2021, Note 24, p. 159 and Note 10 of the Notes to the condensed consolidated financial statement for the 2022 half-year, chapter 3 of this present document).

Other information

On May 19, 2022, at the Annual Shareholders' Meeting, Dassault Systèmes' shareholders approved a dividend for the fiscal year 2021 equivalent to €0.17 per share. On June 1, 2022, the dividend was fully paid in cash in an aggregate amount of €223.5 million.

2.6 2022 Financial Objectives

Dassault Systèmes' full year 2022 financial objectives presented below are given on a non-IFRS basis and reflect the principal 2022 currency exchange rate assumptions below for the US dollar and Japanese yen as well as the potential impact from additional non-Euro currencies:

	FY 2022
Total revenue	5,485 - 5,535
Growth	+13 - 14%
Growth ex FX	+9 - 10%
Software revenue growth *	+9-10%
Of which licenses and other software revenue growth *	+9-11%
Of which subscription and support revenue growth *	~+9%
Services revenue growth *	+8-10%
Operating margin	33.4% - 33.7%
EPS diluted	1.08 - 1.10
Growth	+14-16%
<i>US dollar</i>	<i>1.10</i>
<i>Japanese yen (before hedging)</i>	<i>132.2</i>

* Growth in constant currencies

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

The 2022 non-IFRS financial objectives set forth above do not take into account the following accounting elements and are estimated based upon the 2022 principal currency exchange rates above: no significant contract liabilities write-downs; share-based compensation expenses, including related social charges, estimated at approximately €170.9 million; and amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €383.5 million, and lease incentives of acquired companies at approximately €2.7 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, 2022.

The information above includes statements that express our operating framework and objectives for our future financial performance. Such forward-looking statements are based on our management's views and assumptions as of the date of this Half Year Report 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 main risks and uncertainties to which the Group may be exposed during the remaining six months of fiscal year 2022 are presented in Section 1.9 "Risk Factors" of the Company's 2021 Universal registration document filed with the AMF (French Financial Markets Authority) on March 17, 2022, with the exception of foreign currency and interest rate risks which are updated in Note 14 to the Condensed consolidated financial statements for the half-year ended June 30, 2022 "Derivatives and Currency and Interest Rate Risk Management" under Chapter 3 of this Half Year Report "Condensed Consolidated Financial Statements".

3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED JUNE 30, 2022

Consolidated Statements of Income

	Note	Six months ended June 30,	
		2022 (unaudited)	2021 (unaudited)
<i>(in millions of euros, except per share data)</i>			
Licenses and other software revenue		€506.2	€426.9
Subscription and support revenue		1,949.4	1,691.6
Software revenue	5	2,455.6	2,118.5
Services revenue		252.8	215.2
TOTAL REVENUE		2,708.5	2,333.7
Cost of software revenue		(224.1)	(197.7)
Cost of services revenue		(216.3)	(193.4)
Research and development expenses		(518.3)	(466.4)
Marketing and sales expenses		(705.6)	(619.3)
General and administrative expenses		(199.5)	(189.8)
Amortization of acquired intangible assets and of tangible assets revaluation		(195.5)	(178.8)
Other operating income and expense, net	8	(2.7)	(24.1)
OPERATING INCOME		646.4	464.2
Financial loss, net	9	(9.7)	(8.0)
PROFIT BEFORE TAX		636.7	456.2
Income tax expense	10	(249.1)	(99.7)
NET INCOME		€387.6	€356.5
Attributable to:			
Equity holders of the Group		€388.3	€357.1
Non-controlling interest		€(0.7)	€(0.5)
Earnings per share*			
Basic earnings per share		€0.30	€0.27
Diluted earnings per share		€0.29	€0.27

* 2021 and 2022 figures have been presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (refer to Note 15 Shareholders' Equity)

Consolidated Statements of Comprehensive Income

	Note	Six months, ended June 30,	
		2022 (unaudited)	2021 (unaudited)
<i>(in millions of euros)</i>			
NET INCOME		€387.6	€356.5
Gain (Loss) on hedging reserves	15	16.0	(6.6)
Income tax related to items above		(4.1)	2.2
Foreign currency translation adjustment		698.4	242.7
Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods		710.2	238.2
Remeasurement of defined benefit pension plans		41.1	3.4
Remeasurement of non-consolidated equity investments		(0.4)	0.1
Income tax related to items above		(11.3)	(1.2)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		29.4	2.4
OTHER COMPREHENSIVE INCOME, NET OF TAX		739.7	240.6
TOTAL COMPREHENSIVE INCOME		€1,127.3	€597.1
Attributable to:			
Equity holders of the Group		€1,127.4	€596.2
Non-controlling interests		€(0.1)	€1.0

Consolidated Balance Sheets

<i>(in millions of euros)</i>	Note	June 30, 2022 (unaudited)	December 31, 2021 (audited)
Assets			
Cash and cash equivalents		€3,157.0	€2,979.5
Trade accounts receivable, net	11	1,233.5	1,366.3
Contract assets		16.6	12.7
Income tax receivable		147.1	120.6
Other current assets		259.6	239.9
TOTAL CURRENT ASSETS		4,813.8	4,719.0
Property and equipment, net		813.7	817.0
Other non-current assets		218.4	309.4
Deferred tax assets		77.5	198.3
Intangible assets, net	12	3,565.7	3,462.5
Goodwill	12	5,070.9	4,712.4
TOTAL NON-CURRENT ASSETS		9,746.2	9,499.7
TOTAL ASSETS		€14,559.9	€14,218.7
<i>(in millions of euros)</i>			
Liabilities and equity			
Trade accounts payable		€183.5	€192.4
Accrued compensation and other personnel costs		493.1	587.7
Contract liabilities		1,546.8	1,304.4
Borrowings, current	13	905.5	903.3
Income tax payable		0.1	17.7
Other current liabilities		204.6	464.9
TOTAL CURRENT LIABILITIES		3,333.6	3,470.3
Deferred tax liabilities		535.8	571.1
Borrowings, non-current	13	2,736.9	2,966.4
Other non-current liabilities		943.2	999.9
TOTAL NON-CURRENT LIABILITIES		4,215.9	4,537.4
Common stock		133.4	133.3
Share premium		1,098.3	1,108.0
Treasury stock		(676.2)	(730.5)
Retained earnings and other reserves		5,727.3	5,712.6
Other comprehensive income, net of tax		713.0	(26.0)
Total parent shareholders' equity		6,995.9	6,197.3
Non-controlling interests		14.6	13.7
TOTAL EQUITY	15	7,010.4	6,211.0
TOTAL LIABILITIES AND EQUITY		€14,559.9	€14,218.7

Consolidated Statements of Cash Flows

<i>(in millions of euros)</i>	Note	Six months ended June 30,	
		2022 (unaudited)	2021 (unaudited)
NET INCOME		€387.6	€356.5
Adjustments for non-cash items	16	491.5	352.8
Changes in operating assets and liabilities	16	168.7	323.9
NET CASH FROM OPERATING ACTIVITIES		1,047.8	1,033.2
Additions to property, equipment and intangible assets	12	(62.7)	(56.8)
Payment for acquisition of businesses, net of cash acquired		(7.3)	-
Other		(29.3)	(9.2)
NET CASH USED IN INVESTING ACTIVITIES		(99.4)	(66.0)
Proceeds from exercise of stock options		25.8	74.9
Cash dividends paid	15	(223.5)	(147.1)
Repurchase and sale of treasury stock	15	(602.4)	(94.4)
Capital increase	15	198.6	-
Acquisition of non-controlling interests		(0.5)	-
Proceeds from borrowings		3.6	-
Repayment of borrowings	13	(238.4)	(11.3)
Repayment of lease liabilities		(49.8)	(49.2)
NET CASH USED IN FINANCING ACTIVITIES		(886.6)	(227.1)
Effect of exchange rate changes on cash and cash equivalents		115.7	29.9
INCREASE IN CASH AND CASH EQUIVALENTS		177.6	770.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,979.5	2,148.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD		€3,157.0	€2,919.0
Supplemental disclosure			
Income taxes paid		€112.8	€15.8
Cash paid for interest		€7.7	€9.5
Total cash outflow for leases		€59.7	€58.5

Consolidated Statements of Shareholders' Equity

<i>(in millions of euros)</i>	Note	Common stock	Share premium	Treasury stock	Retained earnings and other reserves	Other comprehensive income, net of tax	Total parent shareholders' equity	Non-controlling interest	Total Equity
DECEMBER 31, 2020		€132.6	€954.0	€(442.1)	€5,043.7	€(626.9)	€5,061.3	€44.8	€5,106.1
Net income		-	-	-	357.1	-	357.1	(0.5)	356.5
Other comprehensive income, net of tax		-	-	-	-	239.1	239.1	1.5	240.6
TOTAL COMPREHENSIVE INCOME		-	-	-	357.1	239.1	596.2	1.0	597.1
Dividends		-	-	-	(147.1)	-	(147.1)	-	(147.1)
Exercise of stock options		0.4	80.4	-	-	-	80.8	-	80.8
Treasury stock transactions		-	-	90.2	(184.7)	-	(94.4)	-	(94.4)
Share-based compensation		-	-	-	71.7	-	71.7	0.5	72.2
Other changes		-	-	-	31.9	-	31.9	-	31.9
JUNE 30, 2021 (UNAUDITED)		€133.0	€1,034.4	€(351.9)	€5,172.7	€(387.8)	€5,600.4	€46.2	€5,646.6
DECEMBER 31, 2021		€133.3	€1,108.0	€(730.5)	€5,712.6	€(26.0)	€6,197.3	€13.7	€6,211.0
Net income		-	-	-	388.3	-	388.3	(0.7)	387.6
Other comprehensive income, net of tax		-	-	-	-	739.1	739.1	0.6	739.7
TOTAL COMPREHENSIVE INCOME		-	-	-	388.3	739.1	1,127.4	(0.1)	1,127.3
Dividends	15	-	-	-	(223.5)	-	(223.5)	-	(223.5)
Capital increase	15	0.4	198.2	-	-	-	198.6	-	198.6
Capital decrease	15	(0.4)	(233.2)	233.7	-	-	-	-	-
Exercise of stock options		0.1	25.4	-	-	-	25.5	-	25.5
Treasury stock transactions		-	-	(179.3)	(184.5)	-	(363.8)	-	(363.8)
Share-based compensation	7	-	-	-	76.6	-	76.6	0.1	76.7
Transactions with non-controlling interests		-	-	-	(4.3)	-	(4.3)	1.0	(3.3)
Other changes		-	-	-	(37.9)	-	(37.9)	-	(37.9)
JUNE 30, 2022 (UNAUDITED)		€133.4	€1,098.3	€(676.2)	€5,727.3	€713.0	€6,995.9	€14.6	€7,010.4

Analysis of changes in shareholders' equity related to components of the other comprehensive income

<i>(in millions of euros)</i>	Investments in non-consolidated equities	Hedging reserves	Foreign currency translation adjustment	Actuarial gains and losses	Total attributable to parent shareholders	Non-controlling interest	Other comprehensive income, net of tax
DECEMBER 31, 2020	-	€26.4	€(577.6)	€(75.6)	€(626.9)	€(2.8)	€(629.6)
Variations	0.1	(4.4)	241.2	2.3	239.1	1.5	240.6
JUNE 30, 2021 (UNAUDITED)	€0.1	€22.0	€(336.5)	€(73.4)	€(387.8)	€(1.3)	€(389.0)
DECEMBER 31, 2021	€(3.8)	€14.8	€34.7	€(71.7)	€(26.0)	-	€(26.0)
Variations	-	11.9	697.8	29.4	739.1	0.6	739.7
JUNE 30, 2022 (UNAUDITED)	€(3.8)	€26.7	€732.4	€(42.3)	€713.0	€0.6	€713.6

Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended June 30, 2022

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Note 1	Description of Business	Note 10	Income tax expense
Note 2	Summary of Significant Accounting Policies	Note 11	Trade Accounts Receivable, Net
Note 3	Seasonality	Note 12	Intangible Assets, net and Goodwill
Note 4	Segment Information	Note 13	Borrowings
Note 5	Software Revenue	Note 14	Derivatives and Currency and Interest Rate Risk Management
Note 6	Government Grants	Note 15	Shareholders' Equity
Note 7	Share-based Compensation	Note 16	Consolidated Statements of Cash Flows
Note 8	Other Operating Income and Expense, Net	Note 17	Commitments
Note 9	Financial Loss, Net	Note 18	Events after the Reporting Period

Note 1 Description of Business

The “Group” refers to Dassault Systèmes SE and its subsidiaries. The Group provides end-to-end software solutions and services, designed to support companies’ innovation processes, from specification and design of a new product, to its manufacturing and sale to the customer, through all stages of digital mock-up, simulation, and realistic 3D virtual experiences representing the end-user experience.

The Group serves eleven industries structured into three sectors:

- **Manufacturing Industries:** Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods & Retail;
- **Life Sciences & Healthcare:** Life Sciences & Healthcare;
- **Infrastructure & Cities:** Infrastructure, Energy & Materials; Architecture, Engineering & Construction; Cities, Public & Business Services.

To serve its customers, the Group has developed a broad portfolio of software applications, comprised of 3D modeling applications, simulation applications, social and collaborative applications, assistance with product testing and information intelligence applications.

Dassault Systèmes SE (LEI code: 96950065LBWY0APQIM86) is a European company (Societas Europaea), incorporated under the laws of France on June 9, 1981 for a 99-year term starting on the date of its registration, until August 4, 2080. The Company’s registered office is located at 10, rue Marcel Dassault, 78140 Vélizy-Villacoublay, France.

Dassault Systèmes SE shares are listed on Euronext Paris and Groupe Industriel Marcel Dassault (GIMD) is the main shareholder; refer to paragraph 6.3.2 “Controlling Shareholder” of the 2021 Universal registration document.

Note 2 Summary of Significant Accounting Policies

The Condensed Consolidated Financial Statements for the Half-Year were prepared in accordance with the international standard IAS 34 “Interim financial reporting” as adopted by the European Union (EU) and published by the International Accounting Standards Board (IASB). These condensed interim consolidated financial statements were established under the responsibility of the Board of Directors on July 25, 2022.

The condensed interim consolidated financial statements were prepared based on the same accounting policies as those applied in the consolidated financial statements as of December 31, 2021, except for specific requirements provided by IAS 34.

New standards, interpretations or amendments effective beginning January 1, 2022 did not have a significant impact on the Group’s condensed interim consolidated financial statements. New standards, interpretations or amendments effective beginning January 1, 2023 were not early adopted by the Group.

Standards, interpretations or amendments published by the IASB and not yet approved by the EU do not have a significant impact on the condensed consolidated financial statements for the first half of 2022.

The Group’s significant accounting policies are summarized in the notes to the annual consolidated financial statements for the year ended December 31, 2021.

The condensed interim consolidated financial statements are presented in millions of euros, unless otherwise specified. Some rounding differences may occur.

Note 3 Seasonality

The Group’s business activities are influenced by certain seasonal effects. Historically, revenue, operating income and net income tend to be higher in the fourth quarter.

Note 4 Segment Information

Operating segments are components of a group for which discrete financial information is available and whose operating results are regularly reviewed by management to assess performance and allocate resources. Dassault Systèmes operates in a single operating segment, the sale of software solutions, which aim is to offer customers an integrated innovation process, from the development of a new concept to the realistic experience of the resultant product, through all stages of detailed design, scientific simulation and manufacturing, thanks to the 3DEXPERIENCE platform.

The assessment of the operating segment's performance is based on the Group's supplemental non-IFRS financial information (refer to paragraph 2.3.4 "IFRS non-IFRS reconciliation" of this Half Year Report). The accounting policies used differ from those described in Note 2 Summary of Significant Accounting Policies as follows:

- the measures of operating segment revenue and income include all revenue that would have been recognized by acquired companies had they remained stand-alone entities but which is partially excluded from Group revenue to reflect the fair value of obligations assumed;
- the measure of operating segment income excludes:
 - amortization of acquired intangible assets and of the revaluation of tangible assets,
 - share-based compensation expense and associated payroll taxes (refer to Note 7 Share-based Compensation),
 - and other operating income and expense, net (refer to Note 8 Other Operating Income and Expense, Net);
- the measure of operating segment income takes into account the impact of lease incentives, including rent-free periods, which are not recognized in the right-of-use asset under a business combination.

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
TOTAL REVENUE FOR OPERATING SEGMENT	€2,708.6	€2,335.1
Adjustment for unearned revenue of acquired companies	(0.1)	(1.4)
REPORTED TOTAL REVENUE	€2,708.5	€2,333.7

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
INCOME FOR OPERATING SEGMENT	€906.4	€771.2
Adjustment for unearned revenue of acquired companies	(0.1)	(1.4)
Amortization of acquired intangibles assets and of revaluation of tangible assets	(195.5)	(178.8)
Share-based compensation expense and related payroll taxes	(60.2)	(101.4)
Other operating income and expense, net	(2.7)	(24.1)
Lease incentives of acquired companies	(1.5)	(1.4)
REPORTED OPERATING INCOME	€646.4	€464.2

Note 5 Software Revenue

Software revenue is comprised of the following:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Licenses and other software revenue	€506.2	€426.9
Subscription and support revenue*	1,949.4	1,691.6
SOFTWARE REVENUE	€2,455.6	€2,118.5

* In 2022, corresponds to €231.7 million at a point in time and €1,717.7 million over time, to be compared to €209.9 million and €1,481.6 million respectively in 2021.

The breakdown of software revenue by main product line is as follows:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Industrial Innovation	€1,316.6	€1,180.2
Life Sciences	529.1	427.3
Mainstream Innovation	609.8	511.0
SOFTWARE REVENUE	€2,455.6	€2,118.5

Note 6 Government Grants

Government grants are recorded in the consolidated statements of income as a reduction to research and development expenses and to other expenses, as follows:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Research and development	€16.3	€17.8
Other expenses	2.0	2.2
TOTAL GOVERNMENT GRANTS	€18.3	€20.0

Note 7 Share-based Compensation

The expense related to compensation based on performance shares and stock options, including associated payroll taxes, is recorded in the consolidated statements of income as follows:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Research and development	€(20.9)	€(34.1)
Marketing and sales	(18.0)	(27.9)
General and administrative	(17.9)	(32.5)
Cost of revenue	(3.3)	(6.9)
TOTAL EXPENSE RELATED TO SHARE-BASED COMPENSATION	€(60.2)	€(101.4)

Changes during the six months ended June 30, 2022 of unvested performance shares, MEDIDATA Program and stock options were as follows:

	Number of awards			Total
	Performance shares	MEDIDATA Program	Stock options	
UNVESTED AS OF DECEMBER 31, 2021	17,164,032	1,566,930	11,388,975	30,119,937
Granted	6,008,716	-	1,989,674	7,998,390
Vested	(5,646,469)	(977,175)	(5,212,489)	(11,836,133)
Forfeited	(127,945)	(69,705)	(323,619)	(521,269)
UNVESTED AS OF JUNE 30, 2022	17,398,334	520,050	7,842,541	25,760,925

Performance shares

New plans granted in 2022

Plans 2022-A1 and 2022-B

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2021, the Board of Directors decided on May 19, 2022 to grant 3,690,907 performance shares (Plan 2022-A1) to some employees and executives of the Group, and 1,500,000 performance shares (Plan 2022-B) to Mr. Bernard Charlès, Vice Chairman of the Board of Directors and Chief Executive Officer as part of a plan of progressively associating him with the Company's capital implemented several years ago.

The shares of these 2022-A1 and 2022-B plans shall be acquired subject to the end of a period of three years. They shall vest if a performance criteria is achieved, and the beneficiary is still an employee, an executive or a corporate officer of the Group at the end of a service period ending on November 19, 2024.

The performance condition will be measured based on the growth of the non-IFRS diluted earnings per share ("EPS") of the Group for the year 2024, neutralized from currency effects, compared to that of the year 2021 (non-vesting condition).

At grant date, the weighted average fair value of 2022-A1 and 2022-B performance shares was €19.91. It was estimated based on the quoted price of Dassault Systèmes SE's common stock on the date of grant, assuming an expected dividend yield of 0.47%, and adjusted to include the non-vesting condition based on the non-IFRS diluted earnings per share using a Monte Carlo model. The model simulates the performance of the non-IFRS diluted earnings per share of the Group excluding foreign currency effects, assuming an expected volatility of 6.96%.

Plan 2022-M1

The Board of Directors also decided on May 19, 2022 to grant 817,809 performance shares (Plan 2022-M1) to some employees and executives of the Group.

Such shares shall be acquired at the end of a period of one year (tranche 1), two years (tranche 2) and three years (tranche 3), if the beneficiary is still an employee or an executive of the Group at the end of these periods and that certain performance conditions are achieved. These performance conditions will be measured based on the average performance of the following two conditions, neutralized from currency effects:

- the growth of the non-IFRS diluted earnings per share ("EPS") of the Group for the years 2022 (tranche 1), 2023 (tranche 2) and 2024 (tranche 3), compared to that of the year 2021 (non-market vesting condition);
- the growth of the non-IFRS revenue and on the non-IFRS operating margin of the MEDIDATA brand (double criteria) for the years 2022 (tranche 1), 2023 (tranche 2) and 2024 (tranche 3), compared to that of the year 2021 (non-market vesting condition).

At grant date, the weighted average fair value of 2022-M1 performance shares was €36.08. It was estimated based on the quoted price of Dassault Systèmes SE's common stock on the date of grant, and assuming an expected dividend yield of 0.47% and an expected volatility of 6.96%.

Stock options

The main features of the Group stock option plans are as follows:

- options vest over various periods ranging from one to four years, subject to continued employment;
- options expire ten years from grant date, or after termination of employment or term of office, whichever is earlier (except for plans 2020-01, 2021-01 and the plan 2022-01 detailed below);
- options have generally been granted at an exercise price equal to or greater than the grant date market value (or the market value the day before the grant) of Dassault Systèmes SE share.

New plan granted in 2022

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2020, the Board of Directors decided, on May 19, 2022, to grant 1,989,674 options to subscribe to Dassault Systèmes SE shares to certain employees and executives of the Group, at an exercise price of €37.17 (Plan 2022-01), equal to the closing value of the Dassault Systèmes SE share the day before the grant.

Such options are divided in three tranches. They shall vest if the beneficiary is an employee or an executive of the Group at the end of a service period of one year (tranche 1), one year and a half (tranche 2) and two years and a half (tranche 3), and subject to the achievement of certain performance conditions. The performance condition will be measured based on the growth of non-IFRS diluted

EPS for the years 2022 (tranche 1), 2023 (tranche 2) and 2024 (tranche 3), neutralized from currency effects compared to that of the year 2021 (non-market vesting condition for the tranche 1 and non-vesting condition for the tranches 2 and 3).

The options expire ten years from grant date or in case of termination of employment before the end of the service period.

At grant date, the weighted average fair value of options granted in 2022 was €6.59. It was estimated on the date of grant using a Black-Scholes option pricing model. Assumptions used are as follows: weighted-average expected life of around six years, expected volatility rate of 30.79%, expected dividend yield of 0.47% and average risk-free interest rate of 1.30%, adjusted to include the non-vesting condition (for tranches 2 and 3) using a Monte Carlo model. The expected volatility was determined using a combination of the historical volatility of Dassault Systèmes SE's stock and the implied volatility of the Group's exchange-traded options.

Note 8 Other Operating Income and Expense, Net

Other operating income and expense, net are comprised of the following:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Restructuring costs and other ⁽¹⁾	€(1.9)	€(4.2)
Costs incurred in connection with voluntary early retirement and end of career multi-year plan ⁽²⁾	(1.6)	(3.4)
Costs incurred in connection with relocation activities and reorganizations of the group's premises ⁽³⁾	(1.6)	(12.7)
Acquisition costs ⁽⁴⁾	2.4	(3.8)
OTHER OPERATING INCOME AND EXPENSE, NET	€(2.7)	€(24.1)

(1) In 2021, primarily related to severance costs related to restructuring plans at Medidata Solutions, Inc.

(2) In February 2020, the Group implemented in France a job and career path agreement for a period of 3 years. This agreement comprises a voluntary early retirement and end of career management multi-year plan, which is accounted for as a post-employment benefit. The estimated costs are primarily based on an assumption of expected proportion of employees to enter the plan and of the estimated residual service period for such employees.

(3) In 2021, primarily composed of impairment losses of right-of-use assets related to vacant leasehold properties following the reorganization of Medidata Solutions, Inc. premises.

(4) In 2021, primarily related to direct costs incurred in connection with the NuoDB, Inc. acquisition.

Note 9 Financial Loss, Net

Financial loss, net for the six months ended June 30, 2022 and 2021 are as follows:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Interest income ⁽¹⁾	€9.1	€5.3
Interest expense ⁽²⁾	(12.3)	(14.5)
INTEREST INCOME AND EXPENSE, NET	€(3.3)	€(9.2)
Foreign exchange (losses) gains, net	(5.2)	0.7
Other, net	(1.3)	0.6
OTHER FINANCIAL INCOME AND EXPENSE, NET	€(6.5)	€1.2
FINANCIAL LOSS, NET	€(9.7)	€(8.0)

(1) Interest income is primarily composed of interest on cash, cash equivalents and short-term investments.

(2) Mainly includes:

(i) interest expense of €4.1 million in 2022 related to bonds (€4.1 million in 2021) and €1.1 million in 2022 related to borrowings from banking institutions (€2.7 million in 2021).

(ii) interest expense related to lease liabilities for €6.9 million in 2022 and €7.1 million in 2021.

Note 10 Income tax expense

The Group made payments to the French tax administration for a total amount of €144.9 million from 2014 to 2020, in relation to tax audits regarding financing of acquisitions, which the Group disputed with the relevant authorities. As of December 31, 2021, these payments were recorded in Other non-current assets, as the Group was confident in the solid grounds for its claims and the perspective of a refund.

On May 31, 2022, the French Supreme Court (Conseil d'Etat) rendered two unfavorable decisions concerning the appeal lodged by the Group for the years 2008 to 2013. Consequently, the Group recorded a tax expense representing the loss of the amounts paid to the French tax administration, for a total of €144.9 million.

As previously disclosed, following the decision of the Court of Appeal in relation to this dispute during the second quarter of 2019, the Group lodged an Appeal in Cassation before the Supreme Court (Conseil d'Etat) in June 2019. On September 9, 2020, the Supreme Court (Conseil d'Etat) denied the Court of Appeal decision and referred the litigation to a new Chamber of the Court of Appeal. In April 2021, the Court of Appeal adopted a new argument, based on the scope of article 145 of the General Tax Code, to reject the Group's position. The Group disagreed with the Court of Appeal's analysis, and, as a result, lodged a new Appeal in Cassation before the Supreme Court (Conseil d'Etat). The High Court accepted the lodging in December 2021.

Note 11 Trade Accounts Receivable, Net

Trade accounts receivable are measured at amortized cost.

<i>(in millions of euros)</i>	June 30, 2022	December 31, 2021
Trade accounts receivable	€1,284.5	€1,414.2
Allowance for trade accounts receivable	(51.0)	(47.9)
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	€1,233.5	€1,366.3

The maturities of trade accounts receivable, net, were as follows:

<i>(in millions of euros)</i>	June 30, 2022	December 31, 2021
Trade accounts receivable past due at closing date:		
Less than 3 months past due	€182.0	€115.6
3 to 6 months past due	41.0	25.4
More than 6 months past due	22.9	29.2
TRADE ACCOUNTS RECEIVABLE PAST DUE	245.8	170.2
Trade accounts receivable not yet due	987.7	1,196.1
TOTAL TRADE ACCOUNTS RECEIVABLE, NET	€1,233.5	€1,366.3

Note 12 Intangible Assets, Net and Goodwill

Intangible assets consist of the following:

<i>(in millions of euros)</i>	Six months ended June 30, 2022			Year ended December 31, 2021		
	Gross	Accumulated amortization and Impairment	Net	Gross	Accumulated amortization and Impairment	Net
Software	€3,694.0	€(1,659.4)	€2,034.6	€3,435.7	€(1,442.9)	€1,992.8
Customer relationships	2,539.7	(1,152.3)	1,387.4	2,370.0	(1,037.9)	1,332.1
Other intangible assets	193.4	(49.7)	143.6	179.0	(41.3)	137.7
TOTAL	€6,427.0	€(2,861.4)	€3,565.7	€5,984.7	€(2,522.1)	€3,462.5

The change in the carrying amount of intangible assets as of June 30, 2022 is as follows:

<i>(in millions of euros)</i>	Software	Customer relationships	Other intangible assets	Total intangible assets
NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2021	€1,992.8	€1,332.1	€137.7	€3,462.5
Business combinations	8.4	-	-	8.4
Other additions	11.2	-	-	11.2
Amortization for the period	(138.3)	(57.8)	(5.4)	(201.6)
Exchange differences and other changes	160.6	113.2	11.4	285.1
NET INTANGIBLE ASSETS AS OF JUNE 30, 2022	€2,034.6	€1,387.4	€143.6	€3,565.7

The change in the carrying amount of goodwill as of June 30, 2022 is as follows:

<i>(in millions of euros)</i>	
GOODWILL AS OF DECEMBER 31, 2021	€4,712.4
Exchange differences and other	358.5
GOODWILL AS OF JUNE 30, 2022	€5,070.9

Note 13 Borrowings

The table below provides a breakdown of total borrowings by contractual maturity date as of June 30, 2022:

<i>(in millions of euros)</i>	Payments due by period			
	Total	Less than 1 year	1-5 years	5-10 years
Bonds	€3,635.9	€900.0	€1,594.1	€1,141.8
Term loans	2.2	1.2	1.0	-
Accrued interest	4.4	4.4	-	-
TOTAL	€3,642.4	€905.5	€1,595.1	€1,141.8

Bonds

On April 27, 2022, Standard & Poors Global Ratings raised their rating from "A-" to "A" with a stable outlook for Dassault Systèmes SE and its long term debt.

On September 16, 2019, the Group issued four tranches of fixed rate bonds for a total of €3,650 million. This issuance was part of the financing of the acquisition of Medidata Solutions, Inc. completed in October 2019.

The terms and conditions of these bonds are detailed in the transaction note having obtained the AMF visa n° 19-434 dated September 12, 2019.

Term loans

In connection with the acquisition of Medidata Solutions, Inc., in October 2019 the Group also subscribed a term loan of €500.0 million bearing interest at Euribor 3 months +0.50% per annum and a term loan of \$530.0 million bearing interest at Libor USD 3 months +0.60% per annum. Both loans have a 5-year term.

The Group voluntarily redeemed early the remaining part of its term loans for €100.0 million on January 28, 2022 and \$150.0 million on February 28, 2022 (€200.0 million and \$150.0 million redeemed on July 2, 2021; €200.0 million and \$230.0 million redeemed on October 28, 2020).

Line of credit

The Group received a financing commitment in the form of a revolving line of credit of €750 million for a period of 5 years from October 28, 2019. In May 2020 and May 2021, the Group exercised its option to extend its term for one year respectively, bringing the new termination date to October 2026. As of June 30, 2022, the line of credit was not drawn down.

The Group's financing contracts do not have commitments such as "covenant ratios" linked to the change in the Group's rating. A lower credit rating would result in an increase (capped) in the margins applicable to the line of credit; symmetrically, a higher rating would lead to a decrease in the applicable margins (with a floor).

Note 14 Derivatives and Currency and Interest Rate Risk Management

The fair market values of derivative instruments are determined by financial institutions using option pricing models.

All financial instruments were subscribed as part of the Group's overall hedging strategy and all foreign currency hedging instruments have maturity dates of less than 2 years. Management believes that counter-party risk on financial instruments is minimal since the Group deals with major banks and financial institutions.

A description of the Group market risks exposure is provided in paragraph 1.9.2 "Financial and Market Risks" of the 2021 Universal registration document.

Foreign currency risk

The Group operates internationally and transacts in various foreign currencies, primarily U.S. dollar and Japanese yen.

The Group usually hedges exchange rate risk related to its revenues and expenses coming from usual and predictable economic activity arising in the normal course of operations. The Group may also cover occasional exchange rate risks arising from specific transactions, such as acquisitions paid for in foreign currencies. Hedging activities are generally carried out and managed by Dassault Systèmes SE for its own account and on behalf of its subsidiaries.

At June 30, 2022 and December 31, 2021, the fair value of instruments used to manage the currency exposure (excluding the net investment hedge) was as follows:

	Six months ended June 30, 2022		Year ended December 31, 2021	
	Nominal amount	Fair value	Nominal amount	Fair value
<i>(in millions of euros)</i>				
Forward exchange contract USD/JPY - sale ⁽¹⁾	€92.2	€14.7	€73.8	€3.7
Forward exchange contract JPY/EUR - sale ⁽¹⁾	115.2	8.8	101.3	(0.7)
Forward exchange contract EUR/INR - sale ⁽¹⁾	49.2	3.3	36.4	2.5
Forward exchange contract USD/INR - sale ⁽¹⁾	60.2	(0.9)	46.7	1.0
Forward exchange contract GBP/EUR - sale ⁽¹⁾	34.4	0.3	46.5	(0.8)
Forward exchange contract USD/EUR - sale ⁽¹⁾	-	-	18.0	-
Forward exchange contract CNH/EUR - sale ⁽¹⁾	78.2	(4.9)	82.4	(2.8)
Other instruments ⁽²⁾	4.0	-	7.2	-

(1) Instruments entered into by the Group to hedge the foreign currency exchange risk of forecasted royalty flows.

(2) Mainly derivatives not designated as hedging instruments. Changes in the derivatives' fair value are recorded in other financial income and expense, net in the consolidated income statement.

Interest rate risk

The Group believes that its business and operating income have not been significantly affected by changes in interest rates in the first half of 2022. Exposure to interest rate risk, in a context of rising rates, is mainly reflected in an improvement in interest income on cash, cash equivalents, short-term investments and consequently the financial income, given the Group's current financing structure relying mainly on fixed rates borrowings.

Note 15 Shareholders' Equity

Shareholders' equity activity

As of June 30, 2022, Dassault Systèmes SE had 1,333,800,851 common shares issued with a nominal value of €0.10 per share, fully paid up.

As part of the employee shareholding plan "TOGETHER" launched in 2021, Dassault Systèmes SE carried out a capital increase of 4.3 million shares on January 20, 2022 for a total of 198.6 million euros, including share premium. In order to neutralize the dilutive effect for shareholders, the Board of Directors of March 15, 2022 also decided to reduce the capital by the same number of shares by treasury shares cancellation.

Changes in shares outstanding are as follows:

(in number of shares)

SHARES ISSUED AS OF DECEMBER 31, 2021	1,332,716,653
Capital increase related to TOGETHER	4,305,050
Capital decrease	(4,305,050)
Exercise of stock options	1,084,198
SHARES ISSUED AS OF JUNE 30, 2022	1,333,800,851
Treasury stock as of June 30, 2022	(20,218,515)
SHARES OUTSTANDING AS OF JUNE 30, 2022	1,313,582,336

The General Meeting of Shareholders held on May 26, 2021 decided to split the par value of the Dassault Systèmes' share by five. The Board of Directors held on the same day decided that the share split is effective on July 7, 2021. Thus, for all former shares of €0.50 par value held as of July 7, the shareholders received five new shares of €0.10 par value each and the total number of shares forming the capital was multiplied by five.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its capital market access and for the purpose of increasing the profitability of shareholders' equity and earnings per share. The Company manages its capital structure and adjusts it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Dividend rights

The total dividend distributed for the year ended December 31, 2021 amounts to €223.5 million, in accordance with the third resolution of the General Meeting of Shareholders held on May 19, 2022.

Stock repurchase programs

The General Meeting of Shareholders of May 19, 2022 authorized the Board of Directors to implement a share repurchase program limited to 20,000,000 Dassault Systèmes SE shares. Under this authorization, the Company may not buy shares above a maximum annual aggregate amount of €1 billion.

The Group has been engaged in a liquidity agreement with broker Oddo BHF SCA since 2015. 637,750 shares were acquired during the half year, at an average price of €39.23 and 332,060 shares were sold, at an average price of €39.83.

Furthermore, the Group also signed with Société Générale several share repurchase agreements. Under an agreement signed on December 10, 2021 for a period covering from December 13, 2021 to February 3, 2022, 3,469,249 shares were repurchased during the half year, at an average price of €46.31. Under an agreement signed on June 10, 2022 for a period covering from June 13, 2022 to June 17, 2022, 1,000,000 shares were repurchased, at an average price of €33.85.

Components of other comprehensive income

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
HEDGING RESERVES:		
Gains (Losses) arising during the year	€19.3	€(2.0)
Less: Gains reclassified to the income statement	3.4	4.6
	€16.0	€(6.6)

Note 16 Consolidated Statements of Cash Flows

Adjustments for non-cash items consist of the following:

<i>(in millions of euros)</i>	Note	Six months ended June 30,	
		2022	2021
Depreciation and impairment of property and equipment		€93.3	€99.5
Amortization and impairment of intangible assets	12	201.6	186.6
Non-cash share-based compensation expense		76.7	73.3
Deferred taxes		(28.7)	(16.4)
Other*		148.7	9.8
ADJUSTMENTS FOR NON-CASH ITEMS		€491.5	€352.8

* The 2022 impact mainly corresponds to the loss of the amounts paid to the French tax administration in relation to tax audits detailed in Note 10 Income tax expense.

Changes in operating assets and liabilities consist of the following:

<i>(in millions of euros)</i>	Six months ended June 30,	
	2022	2021
Decrease in trade accounts receivable and contract assets	€195.1	€214.9
(Decrease) in accounts payable	(17.2)	(40.6)
(Decrease) Increase in accrued compensation	(109.9)	6.2
(Decrease) Increase in income tax payable	(31.3)	60.7
Increase in contract liabilities	168.8	110.2
Changes in other assets and liabilities	(36.8)	(27.5)
CHANGES IN OPERATING ASSETS AND LIABILITIES	€168.7	€323.9

Note 17 Commitments

Future lease commitments

In December 2019, the Group signed a new lease contract for a fixed term of 10 years from the delivery of an additional building for its Vélizy-Villacoublay campus of approximately 28,000 square meters of office space, scheduled to be delivered during the second quarter of 2023. The minimum future lease payments over the lease term amount to approximately €81.1 million.

In accordance with IFRS 16, the right-of-use asset and the lease liability will be recognized upon the delivery of the new building.

Bank guarantees

The Group has a central cash management operated through a banking institution. In this context, the Group offered a guarantee to the bank in an amount of \$500 million. All commitments of the bank are guaranteed by its parent company.

Note 18 Events after the Reporting Period

Commercial papers

In July 2022, the Group launched a program of commercial papers (Negotiable European Commercial Paper – NEU CP) with a maximum outstanding amount of €750.0 million. Four issuances for a total of €250 million were realized under this program.

4 STATUTORY AUDITORS' REVIEW REPORT ON THE 2022 HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Dassault Systèmes Group, for the period from January 1, 2022 to June 30, 2022,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

The Statutory Auditors

Paris La Défense, on July 26, 2022

Neuilly-sur-Seine, on July 26, 2022

French original signed by

KPMG SA

PricewaterhouseCoopers Audit

Jacques Pierre

Partner

Xavier Niffle

Partner

Thierry Leroux

Partner