

UNTIL  
NOW...

...FROM  
NOW ON

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The **3DEXPERIENCE**® Company

UNIVERSAL  
REGISTRATION  
DOCUMENT 2021  
Annual financial report



AUTORITÉ  
DES MARCHÉS FINANCIERS

This document is an English-language translation of Dassault Systèmes' Document d'enregistrement universel (Universal registration document), which was filed with the AMF (French Financial Markets Authority) on March 17, 2022, under regulation (UE) 2017/1129 without prior approval in accordance with Article 9 of such regulation. Only the French version of the *Document d'enregistrement universel* is legally binding.

# General

This Universal registration document also includes:

- the annual financial report to be prepared and published by every listed company within four months of the end of its fiscal year, pursuant to Article L. 451-1-2 of the Monetary and Financial Code and Article 222-3 of the French Financial Markets Authority (“AMF”) General Regulation; and
- the annual management report of Dassault Systèmes SE’s Board of Directors, which must be provided to the General Meeting of Shareholders approving the financial statements for each completed fiscal year, pursuant to Articles L. 225-100 and L. 22-10-34 *et seq.* of the French Commercial Code.

The index set forth on pages 293 and 294 provides cross-references to the relevant portions of these two reports.

All references to “euro” or to the symbol “€” refer to the legal currency of the French Republic and certain countries of the European Union. All references to the “U.S. dollar” or to the symbol “\$” refer to the legal currency of the United States.

As used herein, “Dassault Systèmes”, the “Company”, the “Group” and “we” refer to Dassault Systèmes SE and all the companies included in the scope of consolidation.

“Dassault Systèmes SE” refers only to the European parent company of the Company, which is governed by French law.

In compliance with Article 19 of European Regulation no. 2017/1129 of the European Parliament and of the European Council, the following information is incorporated by reference in this Universal registration document:

- the consolidated financial statements on pages 106 to 147 (inclusive), the parent company financial statements on pages 154 to 176 (inclusive), and the related audit reports on pages 148 to 152 and 178 to 182 (inclusive) of the Universal registration document for the year 2020 filed with the AMF on March 19, 2021, under no. D. 21-0159;
- the financial information on pages 86 to 103 (inclusive) of the Universal registration document for the year 2020 filed with the AMF on March 19, 2021, under no. D. 21-0159;
- the consolidated financial statements on pages 94 to 137 (inclusive), the parent company financial statements on pages 143 to 166 (inclusive), and the related audit reports on pages 138 to 142 and 168 to 172 (inclusive) of the Universal registration document for the year 2019 filed with the AMF on March 19, 2020, under no. D. 20-0144;
- the financial information on pages 73 to 91 (inclusive) of the Universal registration document for the year 2019 filed with the AMF on March 19, 2020, under no. D. 20-0144.

The portions of these documents which are not incorporated herein are either not relevant for current investors, or are covered in another section of this Universal registration document.

# Person Responsible

## Person Responsible for the Universal registration document

Bernard Charlès – Vice chairman and Chief Executive Officer.

## Certification by the Person Responsible for the Universal registration document

Vélizy-Villacoublay, March 17, 2022.

I hereby certify that the information contained in this Universal registration document is, to my knowledge, in accordance with the facts and that no information liable to affect its significance has been omitted.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a faithful representation of the assets, financial situation and results of Dassault Systèmes SE and

all the companies included in the scope of consolidation, and that the “management report”, the content of which is cross-referenced in a table at page 294, included in this Universal registration document, presents a faithful representation of the business trends, results and financial situation of Dassault Systèmes SE and all the companies included in the scope of consolidation as well as a description of the principal risks and uncertainties which they face.

**Bernard Charlès**

Vice chairman of the Board of Directors and Chief Executive Officer



# PRESENTATION OF THE COMPANY

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# Dassault Systèmes' Vision, Strategy and Performance

**Bernard Charlès, Vice chairman of the Board and Chief Executive Officer,  
and Charles Edelstenne, Chairman of the Board**

(All figures are non-IFRS and revenue growth rates are in constant currencies)

## **40 years after the creation of the company and 10 years after stating its purpose, what is Dassault Systèmes' strategy?**

Dassault Systèmes is proud of the creativity of its two generations of innovators. Our company's 40th anniversary is above all an opportunity to focus on our next horizon: 2040. What do we want to be recognized for in 2040? How do we intend to contribute to society? We will see two major shifts in the coming decades. First, a more sustainable, circular economy, and second, the virtualization of life sciences and healthcare. Sustainable development is the very foundation of our corporate purpose to "harmonize product, nature and life", and is what drives our strategy. In 2020, following our decision to extend our focus "from things to life", we put Life Sciences and Healthcare at the heart of our identity. Our ambition is to deliver the same level of leadership, excellence and performance in the living world as we do in the manufacturing industry. Following the integration of MEDIDATA, we are already the world's leading provider of clinical trials solutions. Creating the first-ever virtual twin of the human body is our next exciting challenge and a major milestone for us all – patients, doctors and researchers alike.

This is in keeping with the legacy of Dassault Systèmes. Every decade since the outset, we have helped industrial firms disrupt how they design and make products. Starting with CATIA, designing 3D parts and assemblies and replacing physical prototypes with virtual testing. Next, we invented the virtual twin of entire complex systems, for example with Boeing to create a 3D mock-up of the 777. Lifecycle management, or the end-to-end product management from design through to recycling, including production and distribution, marked the third stage. Then, 10 years ago, we unveiled a key enabler to fulfill our purpose: the 3DEXPERIENCE platform. With this platform, customers can create virtual twin experiences that combine modeling, simulation and real-world evidence. Virtual twin experiences enable firms to take their imagination beyond the confines of the real world, offering a powerful transformation enabler for them to become the solution to today's sustainable development challenges.

The Experience Economy, accelerated by the pandemic, triggers new expectations from citizens, patients, and consumers. For instance, tomorrow's mobility is no longer only a matter of vehicles; it is a matter of sustainable mobility experiences. Tomorrow's healthcare is much more than therapeutics; it is about the patient journey and precision medicine. Tomorrow's cities are not only a collection of buildings, streets and facilities; it is about quality of life and quality of service.

Our clients and partners are embracing the Experience Economy across our three sectors. They have made sustainability the cornerstone of their transformation.

In Manufacturing Industries, clients are stepping up their partnerships with us to virtualize their operations, improve data sharing and collaboration across their organization, reducing costs and time-to-market. In 2021, Renault Group embarked on a new stage in its technological and digital transformation by choosing the cloud-based 3DEXPERIENCE platform to develop new products and mobility services.

In Life Sciences & Healthcare, virtualization is now the catalyst and enabler of groundbreaking healthcare products and practices. This transformation is spawning new usages and offering simpler, more precise experiences for people, as part of prevention, treatment and follow-up. To close the loop between research & development and usages, we connect the dots across molecule simulation, clinical trials, manufacturing and real-world data, across researchers, manufacturers, doctors and patients, illustrated by MEDIDATA's key role in Moderna's COVID-19 vaccine clinical trials. This opens up a new dawn in precision medicine, as it becomes more inclusive, more independent, more accessible and ultimately more effective.

Lastly, in Infrastructure & Cities, we are opening new horizons in making the construction industry more efficient and sustainable. This year, we expanded our partnership with Bouygues Construction to speed up the company's digital transformation, improving research & development of new cloud-based, mobile-enabled approaches using the virtual twin.

To better serve our customers and achieve our strategic objectives, we are implementing our own virtual twin experience. All functions of our organization will be virtualized to provide us with a holistic view of our own processes, products, services and usages.

## **Could you comment on Dassault Systèmes' 2021 performance and the outlook for 2022?**

Dassault Systèmes' performance endorses our long-term strategic vision and the investments made over the years. The company has built strong competitive advantages to drive its long-term growth.

In 2021, total revenue grew 11%, driven by broad-based demand across product lines and geographies. The adoption of our strategic growth drivers, 3DEXPERIENCE and cloud, has accelerated, notably thanks to large enterprise partnerships. From a profitability perspective, this past year we demonstrated the resilience of our business model with an improvement of about 4 percentage points in the operating margin to 34.3%, while investing in our workforce, which grew 4%. Earnings per share increased 26% to €0.95, thanks to good revenue growth and high profitability.



For 2022, we expect the demand dynamics we experienced in 2021 to continue, targeting 9 to 10% revenue growth. We anticipate double-digit license revenue growth and strong recurring revenue performance. We expect our operating margin objective to remain at a high level (between 32.7% and 33.1%), but more in line with normative levels (32.0% in 2019) because of significant workforce investments. Our diluted earnings per share objective is €0.98 to €1.00.

**What is next for Dassault Systèmes? How does it address sustainable development challenges?**

Our objective is to be the leader in sustainable innovation and to continue to position our clients at the vanguard of progress across the three sectors we serve so that they in turn can better serve patients, citizens, consumers, entrepreneurs and learners. To become a strategic partner for sustainable innovation, we have defined a path for 2025 and beyond.

First, with our solutions, we can be a tremendous lever for our customers. With Accenture, we co-authored a study that reveals the critical role of Dassault Systèmes' virtual twins, bringing 1.3 trillion dollars of economic value and an estimated 7.5 GtCO<sub>2</sub>-eq reduction in CO<sub>2</sub> emissions between now and 2030 for five use cases. We are also committed to reducing our carbon footprint and operating our business in a more sustainable manner. We have therefore set a target to reduce our greenhouse gas emissions to meet the goals of the Paris Agreement and the goals we set for ourselves, which have been validated by the Science Based Targets initiative. We reaffirm our commitment to the UN Global Compact and its Ten Principles, which align with our corporate purpose.

We intend to play a decisive role in virtualization of healthcare, which will profoundly transform the industry, elevating the patient journey, boosting the capacity to innovate and strengthening competitiveness. We also support customers on the crucial issue of intellectual property and data management, because in the Experience Economy, health data and its intelligence and accessibility are all critical strengths.

We have demonstrated the power offered by the 3D representation of phenomena, i.e., the virtual twin of a real phenomenon that ushers in inclusive and open, collaborative processes. Taking this even further, we also believe the innovators of today and tomorrow have to think in terms of "universes", in terms of organic systems of systems that create, produce and deliver an experience in a circular economy. We can combine value creation and value experienced, design and usage, to cover the full product and service lifecycle. This new approach to innovation will pave the way for the development of all three sectors.

Dassault Systèmes approaches its growth from an inclusive, long-term perspective. The Company has always prepared the future by ensuring managerial continuity and combining the talents of different generations of leaders. With this in mind, we have put in place the next generation of executive leadership to support Pascal Daloz in his mission as Chief Operating Officer to elevate and expand the value we deliver and to support our long-term vision. In 2021, we also introduced an employee shareholding program to enable our people to invest in our joint enterprise and continue to make it grow.

We would like to thank our customers and partners for their continued trust. Creating a more sustainable world sits at the heart of our mission. It underpins everything we do.

## 1.1 Key data

## A Global Company

**20,496**

employees from

**135**

countries

**+300,000**

entreprise customers in 11 industries



Our headcount is:

**39%** Europe**29%** Americas**32%** Asia**180**

sites worldwide

**12**

brands

## A Growing &amp; High-Performance Company

**+11%\*****€4.86 bn\***

revenue

**+23%\***revenue based on cloud  
(20% of software revenue)**+15%\***revenue based on 3DEXPERIENCE  
platform (30% of software revenue)**34.3%\***

Operating Margin

Diluted EPS up

**+28%**

\* Non-IFRS, growth rates in constant currencies

## An Innovative Company

**+4%**

R&amp;D headcount in 2021

**41%**

of total employees in R&amp;D

**+55%**

joined the employee shareholding plan

**5**women among 13 members  
of the Executive team

## A Sustainable Company

**#5**DJSI, Dow Jones Sustainability Indices  
ranking in software category (2021)**#9**Corporate Knights World's 100 Most  
Sustainable Corporations (2021)**2/3**of revenue from new licenses comes  
generated by sustainability solutions**#19**Forbes World's Best Employer (2021)  
1<sup>st</sup> French company

## 1.2 Profile of Dassault Systèmes and Our Purpose

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 is a global leader in sustainable innovation. We provide virtual experience twins based on a collaborative platform that allows customers to create products and services for a more sustainable and desirable world, in three main sectors of the economy: Manufacturing Industries, Life Sciences & Healthcare, Infrastructure & Cities. Our solutions translate into benefits for: citizens (how can we make cities great places to live and work?); patients (how can we care for the entire planet and for each individual, and how do we conduct clinical trials to roll out a vaccine in less than a year?); manufacturers (how do you design the entire product lifecycle?); consumers (how do you make sustainable purchasing choices?); learners of all ages (how do we prepare the workforce of the future for the jobs of the future?); and the research community (how do we develop new paradigms of scientific observation and reasoning?). We truly believe that industry is not the problem but the solution. We stand at the threshold of a new world, where industry, instead of seeking to improve the world as it is, must create new landscapes in terms of what we offer, decide between use case scenarios, and transform the art of how we produce by combining science, art and technology. This led us, in 2012, to define our new horizon, which we call 3DEXPERIENCE.

Achieving a more sustainable future is only possible by leveraging the virtual world. At Dassault Systèmes we believe that virtual worlds extend and improve the real world.

Dassault Systèmes solutions transform the way products are designed, simulated, produced, marketed and supported, leveraging the virtual world to improve the real world. We have helped manufacturers disrupt how products are designed and produced – with 3D design, with 3D digital mock-ups (DMU), with 3D Product Lifecycle Management (PLM), and now with 3DEXPERIENCE.

It is important to remember that virtual worlds were created to drive sustainable development. The purpose of the first 3D representations was to replace physical prototyping, saving raw materials, energy and resources. The Product Lifecycle Management (PLM) solutions pioneered by Dassault Systèmes in the early 1990s have helped foster a circular, more balanced approach within industry. Today, we want to be the catalyst and enabler of the real Industry Renaissance of the 21st century. Combining the real and the virtual leads to usher in new ways of inventing, learning, producing, and doing business.

**We are a purpose-driven company. Our purpose is at the core of who we are and why people join Dassault Systèmes.**

Dassault Systèmes is a science-based, innovation-driven, business-minded and long-term oriented company. The Company's 20,000 employees all share this same mindset. 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.

**To fulfill this ambition, our strategy is to focus on 'Human Industry Experiences'. These three words encapsulate the conditions to create sustainable innovations.**

"Human" means that our ultimate focus is the human being. We build on imagination, knowledge and know-how to make a lasting contribution for the benefit of all. "Industry" means that we want to offer customers what they value the most – a sustainable outcome. "Experiences" mean that we aim to help businesses and people grow and live in today's new "New World".

To achieve this strategy, Dassault Systèmes is focusing on developing solutions in Life Sciences & Healthcare alongside two other strategic sectors of the economy: Manufacturing Industries and Infrastructure & Cities.



**We are rolling out our strategy through our strategic operational components: Brands, Industries and Geos.**

Dassault Systèmes' Brands create great user experiences and build vibrant user communities. Our Industries develop Solution Experiences, industry-focused offerings which deliver specific value to companies and users in a particular industry. Our twelve Geographies (GEOs) are responsible for making GEOs the driving force for the development of our business and for overseeing the implementation of our customer-centric engagement model.

**What we sell is Dassault Systèmes' 3DEXPERIENCE platform, which is a platform for knowledge and know-how. It aims to catalyze and enable innovation by allowing businesses to connect the dots within and outside their company, from**

**upstream thinking to design, engineering, manufacturing, sales & marketing, all the way to ownership.**

The 3DEXPERIENCE platform is a game-changer in value creation for organizations because it is the only platform that offers both a system for running their business and a business model to transform their businesses. As a system of operations, the 3DEXPERIENCE platform enables businesses to improve their operational excellence. As a business model, it allows them to set up the most innovative value networks.

The 3DEXPERIENCE platform is structured in four quadrants encompassing our twelve brands. Our 3DEXPERIENCE portfolio is comprised of 3D modeling applications, simulation applications, social and collaborative applications, and information intelligence applications.

## Our Purpose

**Dassault Systèmes' purpose is to provide business and people with 3DEXPERIENCE universes to imagine sustainable innovations capable of harmonizing product, nature and life.**

Through this ambition, we contribute to the improvement of society and the quality of the environment. "Harmonizing product, nature and life" is how we define sustainable innovation. It is based on the premise that, in the 21st century, with a global population of nearly 8 billion, we cannot produce and consume in the same way that we did in the 20th century. A product cannot be sustainable if its impact on the environment and on society has not been thought through. And conversely, product design can be improved by observing nature and other living creatures.

We believe that we should think about progress in terms of balance. As we create products, what are we taking from and giving back to our planet? "Harmonizing product, nature and life" lies at the heart of the industry of the 21st century –the primary driver of innovation and the key to both sustainable enterprise in all sectors of the economy and progress in all spheres of society.

**At Dassault Systèmes we believe that virtual worlds extend and improve the real world. Indeed, achieving a more sustainable future is only possible by leveraging the virtual world. This led us, in 2012, to define our new horizon which we call 3DEXPERIENCE.**

When we formulated our company purpose in 2012 and defined ourselves as the 3DEXPERIENCE Company, we anticipated that the world would shift from a product-based economy to an experience economy that values usage over the product.

The experience economy is not just about "user experience". It is about the overall balance and impact of any service we provide to society. This means seeing industry as a value creation process for people, rather than the "means of production". The industry of the 21st century is a network of creation, production and exchange of experiences.

**In 2012 we also dared to imagine that the 3DEXPERIENCE universes would become the most powerful vehicle for sustainable innovation. Our platform has clearly risen to the challenge.**

**There are two key aspects to the virtual twin. First, it makes it possible to represent hypotheses, which are then tested and verified against real-world data, with the aim of optimizing models within a loop process.**

The virtual twin is a virtual representation of the world achieved by combining modeling, simulation, real-world data and artificial intelligence. In some ways, the virtual twin can be seen as our library and our workshop: it represents existing and potential knowledge and know-how, and it allows us to create use case scenarios which are then verified against real-world data. With the cloud, all these technologies can be made available to every kind of organization, business and research lab.

We are now able to measure the tangible benefits of these virtual twin experiences delivered through our platform in the shift toward a more circular economy. In collaboration with Accenture, in 2021 we quantified the potential impact of virtual twins on the climate: on the basis of five use case scenarios, savings of up to 7.5 gigatonnes of CO<sub>2</sub> are possible.

**Second, virtual twins rely on collaborative experience platforms, which have emerged as the key infrastructure for the 21st century.**

Platforms are transforming retail, transportation and the hospitality industry. Next up is the rest of industry. Platforms make it possible to unify entire research and production ecosystems, rethink public/private partnerships, and converge supply and demand. Far more than just a technology, virtual platforms offer a holistic approach to innovation and an inspiration for new offerings.

**Sustainable innovation is intrinsically holistic, multi-disciplinary, multi-scale and circular. Tomorrow's game-changers will not be those with the most automated production systems, but those with the best-developed**

**legacy of knowledge and know-how, whose business environments involve subcontractors as full-fledged partners in value creation. Manufacturers must take a more balanced approach: reducing their negative impact (footprint) and improving their positive impact (handprint) across the entire product lifecycle. This is where platforms really come to the fore – elevating the role of businesses as sustainability leaders, sparking creativeness and sharing knowledge and expertise.**

**There is an imperative now for manufacturers to consider the entire lifecycle of their products: where are the materials sourced? Is the production process frugal? What is the impact of the distribution channel? Does the product have a sustainable end-use? Can the materials be reused or repurposed? We must work toward a more decarbonized and circular economy. This calls for a system of systems approach, which is today possible using the virtual twins of value chains, ecosystems and collaborative platforms.**

As it is adopted by new categories of innovators, the 3DEXPERIENCE platform has become the catalyst and enabler of the Industry Renaissance, today's global transformation that brings new ways of inventing, learning, producing and trading.

Our platform encompasses a highly complementary and resolutely unique scope of scientific disciplines: including biology, chemistry, materials science, mechanics, and electromagnetics.

Through virtual experiences, augmented reality and realistic simulation, the virtual revolutionizes our relationship with knowledge, just like the printing press did in 15th-century Europe. The new book is the experience! The virtual experience adds knowledge and know-how, while eliminating the gap between experimentation and learning. Through the virtual world –today's library and workshop –new categories of industrial firms create new categories of experiences for new categories of customers.

**Today, we are extending our focus from things to life.**

Since 1981, we have been instrumental in fostering sustainable innovation for products. At the same time, our ambition to harmonize product, nature and life has led us to develop a new understanding of life and nature. Today, we are capable

of applying our knowledge and know-how acquired in the non-organic world to the organic –living –world.

With 3D design, we represented the surface of simple objects. With the 3D digital mock-up (DMU), we represented the surface and inside of complex systems. With 3D product lifecycle management (PLM), we represented time. With 3DEXPERIENCE, we represent emotion.

In 2020, Dassault Systèmes announced its ambition to create the virtual twin experience of the human body, integrating modeling, simulation, information intelligence, and collaboration. This brings together biosciences, material sciences and information sciences to project the data from an object into a complete living virtual model that can be fully configured and simulated. Industry, researchers, physicians and even patients can visualize, test, understand, and predict what cannot be seen –from the way drugs affect a disease to surgical outcomes –before a patient is treated.

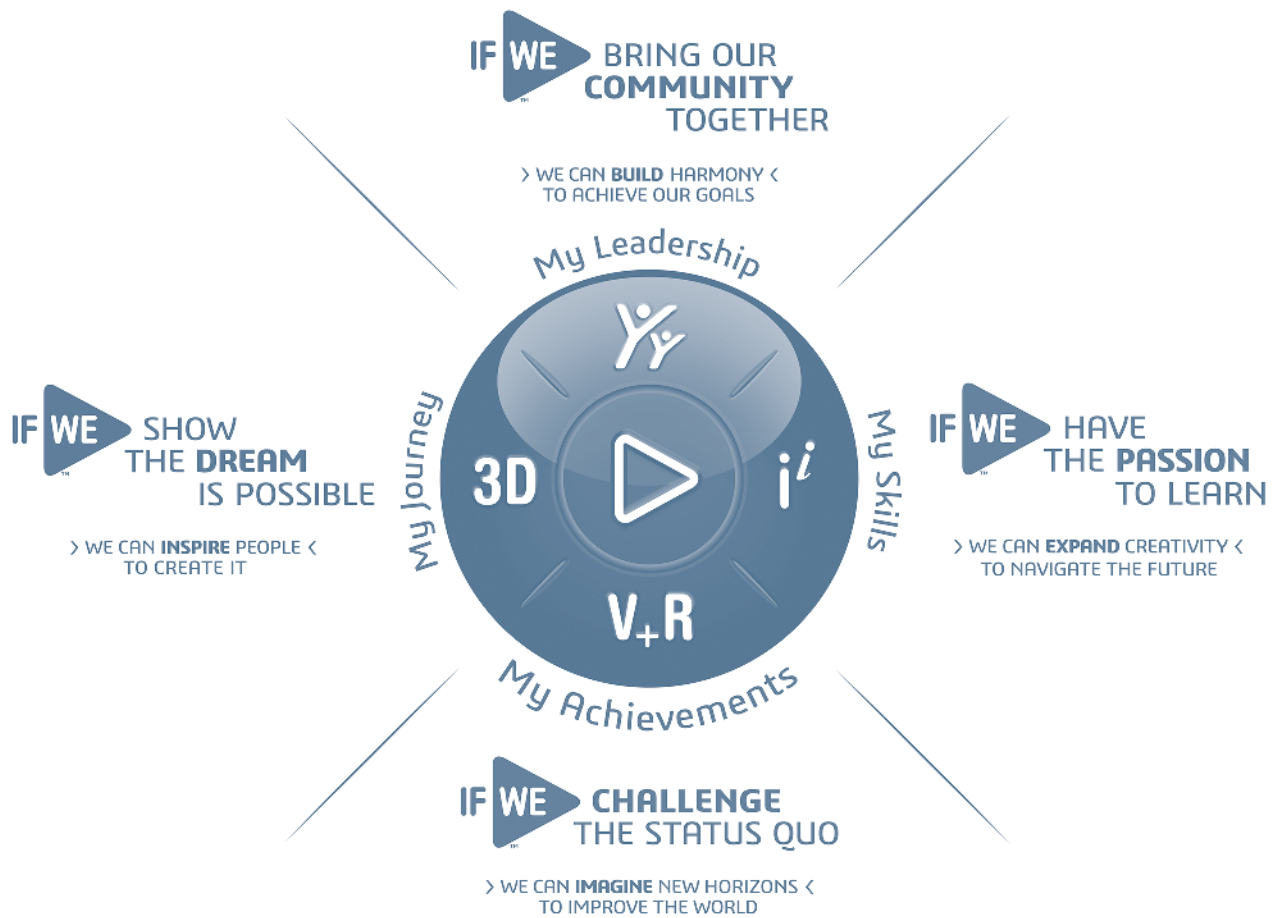
There was a before and an after 1989, the year we created the first virtual twin of the Boeing 777. There was a before and an after February 9, 2012, when we shifted the center of gravity from product to experience. And there will be a before and an after the virtual twin experience of the human body.

**Our purpose is at the core of who we are and a motivation for all our employees.**

Dassault Systèmes is a science-based, innovation-driven, business-minded and long-term-oriented company. The Company's 20,000 employees are driven by this 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.

Everything we do is geared to the future and to progress. As a result, we have among our customers many companies who are pioneers in their field (robotics, energy, mobility and more). Our values are underpinned by innovation and a shared ambition to make a lasting, positive impact on everyone's lives. This is what we call our IFWE mindset. "IF" refers to our passion to explore new possibilities and "WE" to our belief that, by connecting people, we can bring about meaningful change.





## 1.3 History and Development of the Company

### 1.3.1 Summary

Dassault Systèmes was established in 1981 through the spin-off of a small team of engineers from Dassault Aviation, which was developing 3D surfacing modeling software to design wind tunnel models and reduce cycle times for wind tunnel testing. We entered into a distribution agreement with IBM the same year and started to sell our software under the CATIA brand. With the introduction of our Version 3 (“V3”) architecture in 1986, we laid the foundations of 3D modeling for product design. Through our work with large industrial customers, we learned how important it was for them to have a software solution that would support the design of highly diversified parts in 3D. The growing adoption of 3D design for all components of complex products, such as airplanes and cars, triggered the vision for transforming the 3D part design process into a systematic integrated product design.

The Version 4 (“V4”) architecture was thus created, opening new possibilities to realize full digital mockups (DMU) of any product. V4-architected software solutions helped customers reduce the number of physical prototypes and substantially shorten product development cycle times, while making global engineering a reality as engineers were able to share their work across the globe virtually.

In 1999, we introduced our new Version 5 (“V5”) software architecture, which served as the foundation for a robust 3D product lifecycle management (PLM) solution. In conjunction with our strategy and product portfolio development plans, we undertook a series of targeted acquisitions to expand our software applications offering to include digital manufacturing, realistic simulation, product data management and enterprise business process collaboration.

Building on our work in 3D, 3D DMU and 3D PLM, we unveiled in 2012 our **3DEXPERIENCE** platform, designed to support our customers' innovation processes and deliver truly new and rewarding experiences for their end-users.

In 2020, we announced the extension of **3DEXPERIENCE** from things to life, with the ambition to invent the dynamic virtual twin of the human body.

## 1.3.2 Our Timeline

### **3D Design and 3D Digital mock-up**

**1981** – Creation of Dassault Systèmes to design products in 3D through the spin-off of a team of engineers from Dassault Aviation;

**1981** – The Company's flagship brand, CATIA, is launched;

**1981** – Worldwide marketing, sales and support agreement with IBM, beginning of a long-standing partnership;

**1981** – Initial industry focus: automotive and aerospace;

**1986** – V3 software introduced for 3D Design;

**1994** – V4 architecture introduced offering a new technology for creating the full 3D Digital Mock-Up ("DMU") of a product, enabling customers to significantly reduce the number of physical prototypes and to have a complete understanding of the virtual product;

**1994** – Expansion of the Company's industry focus to seven industries, adding fabrication and assembly, consumer goods, high-tech, shipbuilding and energy;

**1996** – Initial public offering in June;

**1997** – Broadening of our 3D Design offer to the entry 3D market, with the acquisition of the startup SOLIDWORKS, with Windows-native architecture, targeting principally the 2D to 3D market migration opportunity;

**1997** – Formation of the Company's Professional channel, focused on marketing, sales and support of SOLIDWORKS;

**1998** – Creation of the ENOVIA brand, focused initially on management of CATIA product data for larger clients with the acquisition of IBM's Product Manager software.

### **Expanding to 3D product lifecycle management**

**1999** – Launch of V5 architecture designed for both Windows NT and UNIX environments;

**1999** – Unveiling of an expanded addressable market vision: 3D Product Lifecycle Management (PLM) for 3D design, simulation analysis, digital manufacturing and product data management;

**1999** – ENOVIA's portfolio expanded to product data management for the small and mid-sized companies ("SMB") market with the SmarTeam acquisition;

**2000** – Creation of the DELMIA brand, initially addressing digital manufacturing (digital process planning, robotic simulation and human modeling technology);

**2005** – Creation of the SIMULIA brand, addressing realistic simulation, representing a significant expansion of the Company's simulation capabilities to leverage the acquisition of Abaqus;

**2005** – Creation of the Company's Value Solutions sales channel, an indirect channel specifically focused on supporting SMB companies, including suppliers to OEMs. This channel rounded out Dassault Systèmes' other indirect channel, the Professional channel, which is focused on SOLIDWORKS users;

**2006** – Expansion of the ENOVIA portfolio with the acquisition of MatrixOne, a global provider of collaborative PDM software and services;

**2007** – Amendment of the IBM partnership agreement, outlining the Company's progressive assumption of full responsibility for the Value Solutions channel;

**2007** – Creation of the 3DVIA brand, to bring 3D technology to new users to imagine, communicate and experience in 3D;

**2007** – CATIA offer extended with ICEM acquisition, a company well known in the automotive industry for its styling and high-quality surface modeling and rendering solutions;

**2008** – Unveiling of the Company's V6 architecture;

**2010** – The Company acquired full control of our distribution sales channels with the acquisition of IBM PLM, the IBM business unit dedicated exclusively to the marketing, sale and support principally of our CATIA, ENOVIA and DELMIA brands;

**2010** – Acquisition of EXALEAD, as part of long-term objective around data analytics with search-based applications;

**2011** – DELMIA's offering expands with the acquisition of Intercim, offering manufacturing and production management software for advanced and highly regulated industries;

**2011** – 100% of the Company's total revenues are derived from its wholly-directed three sales channels, completing the transition from IBM begun in 2005.

## Expanding to 3DEXPERIENCE

**2012** – Expansion of the Company’s strategy to 3DEXPERIENCE along with our purpose: harmonize product, nature and life. See paragraph 1.2 “Profile of Dassault Systèmes and Our Purpose”;

**2012** – Creation of a new brand, GEOVIA, dedicated to modeling the planet; focus on a new industrial sector, Natural Resources, with the acquisition of Gemcom in the mining sector;

**2012** – Acquisition of Netvibes, bringing intelligent dashboarding capabilities, and SquareClock, providing cloud-based 3D space planning solutions;

**2012** – 3DEXPERIENCE launch announcement and introduction of the Company’s first Industry Solution Experiences;

**2013** – Unveiling of V6 Release 2014, available to select customers, on premise as well as Software as a Service (SaaS), featuring the controlled availability of existing and new industry-focused and user-focused offerings and the introduction of a new navigational user interface, the 3DEXPERIENCE platform;

**2013** – Broadening of the Company’s manufacturing offerings to Manufacturing Operations Management with the acquisition of Apriso;

**2014** – Introduction of 3DEXPERIENCE R2014x, the first release of the Company’s new 3DEXPERIENCE platform, offering end-to-end and integrated scientific, engineering, manufacturing and business capabilities and services, with the V6 architecture as its foundation;

**2014** – Creation of a new brand, 3DEXCITE, with the acquisition of Realtime Technology AG (“RTT”) providing professional high-end 3D visualization software, marketing solutions and computer-generated imaging services to extend the Company’s offerings to marketing professionals;

**2014** – Creation of a new brand, BIOVIA, principally addressing science- based industries, combining the acquisition of Accelrys and the Company’s internal developments;

**2014** – Quintiq acquisition in operations planning and optimization;

**2015** – Introduction of 3DEXPERIENCE R2015x, offering a simplified and improved user experience, with powerful enhancements that significantly increase productivity on premise as well as on public or private cloud. In addition, R2015x introduces groupings of applications called “roles”, to cover industry-specific user needs;

**2015** – Legal transformation of Dassault Systèmes from a French public limited company (*société anonyme*) to a European company (*Societas Europaea*, SE). The adoption of the status of European company reflected the Company’s international dimension and growing presence throughout Europe;

**2015** – CATIA’s capabilities were expanded to further enhance its coverage of complex mechatronics systems engineering, with the acquisition of Modelon GmbH, an expert in “ready-to-experience” content for systems modeling

and simulation, which are strategic to transforming the Transportation & Mobility industry;

**2016** – 3DEXPERIENCE 2016x general availability;

**2016** – Extension of SIMULIA’s multi-physics, multi-scale offer with the acquisition of CST, a technology leader in electromagnetic simulation, and the addition of Next Limit Dynamics, bringing capabilities in computational fluid dynamics simulation;

**2016** – Expansion of the Company’s DELMIA’s manufacturing portfolio with the acquisition of Orttems, focused on production planning and scheduling;

**2016** – Acquisition of full ownership of 3D PLM Software Solutions Ltd (3DPLM), our joint venture in India with Geometric Ltd;

**2017** – We entered into a new, extended partnership with The Boeing Corporation. Boeing will expand its deployment of our products across its commercial aircraft, space and defense programs. Boeing will be adopting Dassault Systèmes’ 3DEXPERIENCE platform for Manufacturing Operations Management and for Product Lifecycle Management and extending its usage of our design, engineering simulation and digital manufacturing software;

**2017** – Extension of our simulation capabilities with the acquisition of Exa Corporation for highly dynamic fluid flow analysis, a complex simulation critical to designers and engineers at more than 150 leading companies including Transportation and Mobility, as well as Aerospace and Defense, Natural Resources, and other industries to evaluate highly dynamic fluid flow throughout the design process;

**2017** – Extension of CATIA’s Marine and Offshore industry capabilities with the acquisition of AITAC B.V., where its “Smart Drawings” software application is used to automate the creation of drawings;

**2017** – Strengthening the management of our cloud resources and services, increasing our interest in Outscale to a majority stake, a global provider of enterprise-class cloud services. Founded in France in 2010, Outscale is an ISO/IEC 27001:2013 security certified company that provides enterprise-class cloud computing infrastructure services (IaaS) to customers through its ten data centers in Europe, North America and Asia. With this investment, Dassault Systèmes is now able to adjust and control its cloud resources and services to manage peaks in activity, further diversify its industry segments, deploy new features, and provide advanced on premise, private and hybrid cloud solutions for its customers;

**2018** – Power’By launch as part of 3DEXPERIENCE R2018x and introduction of the 3DEXPERIENCE Marketplace. The objective of Power’By is to enable all customers to benefit from the 3DEXPERIENCE platform’s value immediately without any need for migration of legacy data. There are three levels: to enable social collaboration; to leverage hybrid data for product configuration and bill of materials; or to use the full capabilities of the 3DEXPERIENCE platform;

**2018** – Acquisition of majority ownership of Centric Software, a PLM specialist for the fashion, apparel, luxury and retail sectors. With this investment, Dassault Systèmes aims to accelerate the digital transformation of companies





seeking solutions for the increasingly complex development of collections that respond to on-trend and on-demand consumers;

**2018** – Acquisition of No Magic – a global solutions company focused on model-based systems engineering, architecture modeling for software, system of systems and enterprise business processes modeling – strengthening our CATIA applications. This provides a “single source of truth”, allowing any user within a company to implement continuous 3D digital processes and address all lifecycle aspects of an experience;

**2018** – Acquisition of Cosmologic, a developer of fluid phase modeling software;

**2019** – Acquisition of IQMS, a leading manufacturing ERP software company. Dassault Systèmes extends the 3DEXPERIENCE platform to small and mid-sized manufacturing companies seeking to digitally transform their business operations. IQMS provides all-in-one solutions to optimize engineering, manufacturing and business processes;

**2019** – The acquisition of Argosim strengthens Dassault Systèmes’ simulation and modeling portfolio for embedded systems;

**2019** – Acquisition of Elecworks, the suite of CAD software developed by Trace Software, to better respond to the challenges posed by electrical product design and in particular to develop smart products for the high-tech, equipment and energy industries;

**2019** – Acquisition of a non-controlling interest in BioSerenity, a firm specializing in the development of connected medical devices and remote-monitoring solutions for patients with cardiac, neurological and sleep disorders;

**2019** – Acquisition of Medidata Solutions, Inc., the world leader in clinical testing. Medidata’s clinical expertise and cloud solutions enable development and marketing of smarter therapies. With this acquisition, the Life and Health Sciences industry is now the second largest source of revenue for Dassault Systèmes, putting it at the forefront of the virtual transformation of life sciences for a new era in personalized medicine and patient-centered care;

**2019** – Acquisition of Distene, the developer of market-leading meshing software;

**2019** – Launch of the 3DEXPERIENCE WORKS family of applications aimed at small and mid-sized companies, bundling SOLIDWORKS, DELMIAWORKS, ENOVIAWORKS and SIMULIAWORKS;

**2020** – Acquisition of PROXEM, a firm specialized in semantics software and services based on artificial intelligence, to strengthen the collaborative data science capabilities of the 3DEXPERIENCE platform;

**2020** – Acquisition of NuoDB, a cloud-native distributed SQL database leader, to advance Dassault Systèmes’ 3DEXPERIENCE platform cloud and data science strategy;

**2021** – Acquisition of Iterop, a Business Process Management firm. Integration with the 3DEXPERIENCE Platform and 3DS OUTSCALE is aimed bringing innovation to within everybody’s reach via the cloud;

**2021** – “Together”, Dassault Systèmes’ first employee shareholding plan launched for approximately 98% of the workforce;

**2021** – Dassault Systèmes joins the European Green Digital Coalition as a founding member;

**2021** – Approval by the Science-Based Targets initiative (SBTi) of Dassault Systèmes’ GHG reduction targets and publication of our strategic roadmap to become carbon neutral;

**2021** – Contract with Renault for the global deployment of our 3DEXPERIENCE Platform on the cloud, as part of the group’s “Renaulution” strategic plan;

**2021** – Acquisition of a majority stake in Bloom, an artificial intelligence (AI) platform dedicated to qualitative, predictive and strategic analysis of social networks. The investment is coupled with a strategic partnership that will enable Dassault Systèmes to deliver combined offerings.

For further information on acquisitions over the last three years, see paragraph 1.5.4 “Investments” below.

## 1.4 Business Activities

### › Dassault Systèmes' Corporate Model\*

### OUR SUPPLY

#### INTELLECTUAL CAPITAL

**12**  
technology portfolios  
serving the full  
innovation cycle

**40**  
years  
of accumulated  
industry knowledge

**€949M**  
R&D investment  
(+1.5%)

**+700**  
families of patents

See chapter 1.4.2

#### HUMAN CAPITAL

**20,496**  
people  
from

**135**  
countries

**41%**  
working in R&D

**38.5%**  
Women  
in the Executive team

**21.2%**  
Women among  
People Managers

See chapters 2.3 & 2.7

#### SOCIAL CAPITAL

**+15,000**  
people  
in commercial  
partners ecosystem  
(VARs & CSI)

**+150**  
scientific & research  
partners

**+8,700**  
technology  
& marketplace partners

See chapter 1.4.1

#### FINANCIAL CAPITAL

Long term & stable  
shareholders structure

**+55%**  
subscription for the  
first employee  
shareholding plan

**0.8x**  
Adjusted  
Net Debt/IFRS EBITDAO

**A-** stable  
S&P credit rating

See chapters 2, 3 & 6

#### NATURAL CAPITAL

**66,996MWh**  
of energy  
(of which 90%  
electricity)

**75.2%**  
of renewable electricity  
(corresponding to  
67.7% of our total  
energy consumption)

**28,076**  
tCO<sub>2</sub>-eq  
in purchase  
of capital goods

See chapters 2.5 & 2.7

### OUR USE

#### INTELLECTUAL CAPITAL & Customer Relationships

**50%**  
of revenue eligible  
to EU taxonomy

**25**  
years  
average length  
collaboration  
with our 20 main clients

See chapter 2.7.2

#### HUMAN CAPITAL (Employees)

**91%**  
employees trained

**80%**  
employees pride  
and satisfaction

**99%**  
of employees under  
permanent contract

**1,400**  
students trained  
(internships...)

**+3,800**  
job offers filled  
in 2021,  
**+96%** under  
permanent contract

See chapters 2.3 & 2.7

#### SOCIAL CAPITAL (Society)

**€230M**  
in income tax expenses  
(22,9% ETR)

**60**  
new projects supported  
via La Fondation  
Dassault Systèmes

**6.8M**  
students using  
3DEXPERIENCE Edu  
solutions

**830**  
stakeholders engaged  
in sustainability

**+98%**  
of employees trained  
on ethics & compliance

See chapters 2.4 & 2.5

#### FINANCIAL CAPITAL (Shareholders)

**€0.95**  
earnings per share  
(non - IFRS)

**Dividend policy**  
**30%**  
net earnings  
distributed

See chapter 1.7

#### NATURAL CAPITAL (Environment)

Carbon neutrality  
by 2040

**-8%**  
CO<sub>2</sub> emissions  
(all scopes combined)

**23%**  
of our suppliers have an  
SBTi "targets set" status  
regarding CO<sub>2</sub> emissions  
(52% by 2025)

**69%**  
of certified workplaces  
(vs 53% in 2020)

See chapter 2.5

\* The Business Model.

## OUR EQUITY SYSTEM



### Our purpose

To provide business & people with **3DEXPERIENCE** universes to imagine sustainable innovation capable of harmonizing **Product, Nature & Life**



### Our strategy

#### Human Industry Experiences

Dassault Systèmes is a Science based company helping our partners & clients to transform all **industries with sustainability and human centricity** as cornerstones.

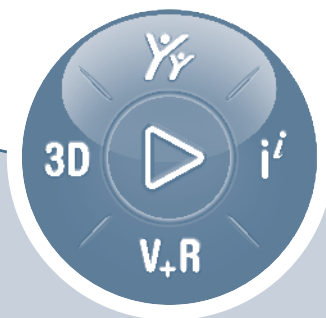


### Serving 3 key sectors

**Manufacturing Industries**  
**Life Sciences & Healthcare**  
**Infrastructure & Cities**

### Unique platform powering holistic solutions

Delivering roles, processes & solutions on public/private cloud or on premise, via license or subscription, and accompanied by consulting and services.



**3DEXPERIENCE®**

### A diverse client base

**+300K** customers ranging from entrepreneurs to multinationals in **11 industries**

### Geo & engagement model

**12 GEOs** drive the development of our business in **180+ countries**

Dassault Systèmes' business purpose of providing **3DEXPERIENCE** universes to enable sustainable innovation is at the heart of the value we create for our stakeholders. As a software company, we leverage human and intellectual capital to enable our stakeholders to imagine and bring to life totally new, disruptive and sustainable innovations in record time. Thus, the value that our solutions bring to our stakeholders goes far beyond the simple economic notion. Our solutions have enabled the production of 70% of the global wind power, the world's first solar airplane and has supported more than 475 COVID-19 studies (including more than 140 vaccines and

225 treatments). These world-changing innovations were made possible thanks to virtual twin technologies.

We have used the Integrated Reporting Framework proposed by the Value Reporting Foundation (now part of the International Sustainability Standards Board) to represent the resources Dassault Systèmes uses and the shared value for society that it creates. The Integrated Reporting Framework presents this stakeholder value creation process according to the five relevant "Capitals" for our sector: Intellectual, Human, Social, Financial, and Natural. We present in more detail in this section how we transform our resources into stakeholders value.

## 1.4.1 Dassault Systèmes

### 1.4.1.1 Our Strategy: Human Industry Experiences

**To fulfill our ambition for sustainable innovation encapsulated in our corporate purpose, our strategy is to focus on Human Industry Experiences.**

In 2020, we evolved our strategy from Social Industry Experiences to Human Industry Experiences.

**"Human" means that our ultimate ambition and primary resource are one and the same – human beings.** We build on imagination, knowledge and know-how to make a lasting contribution for the benefit of all. We firmly believe that the greatest value of virtual worlds lies in the potential it offers for imagining the future, much more than exponential computing capability. We are also convinced that tomorrow's leaders will not be those with the most automated production systems, but those with the best-developed legacy of knowledge and know-how, whose business environments involve suppliers as full-fledged partners in value creation.

**"Industry" is about offering what customers value the most, that is to say creating the knowledge and know-how needed to closely match the needs of the industries we serve.**

To succeed in the experience economy, it is no longer enough to be an expert in a specific technology or production method. You need to be an expert in experience, in other words have a deep understanding of usages. The "customer's world" is what, at Dassault Systèmes, we call "Industry". Our customers do not expect us to provide them with a technology but rather that this technology helps their organization grow and move forward. To meet those challenges, we offer Industry Solutions on the **3DEXPERIENCE** Platform that are tailored for each of the industries we serve.

**"Experiences" mean that we aim to help businesses and people build and live in today's new "New World".** The 20th century was the century of products; today, we have entered the experience economy. The usage holds more value than the object itself. This phenomenon is poised to touch all sectors of the economy – from the very nature of offerings to the buying decision – and all areas of our everyday lives, both at home and in the workplace.

**To deliver on this Human Industry Experiences strategy, Dassault Systèmes will focus on developing its leadership in three strategic sectors of the economy: Manufacturing Industries, Life Sciences & Healthcare and Infrastructure & Cities.**

These sectors share similar development processes and sustainability needs in their efforts to improve quality of life, whether through more affordable and precise therapies, optimized infrastructures, or better use of the environment.

### 1.4.1.2 Strategic operational elements

**We are rolling out our strategy through our Strategic Operational Elements: Brands, Industries and Geos.**

#### Brands

Dassault Systèmes' Brands create great user experiences and build vibrant user communities. With our twelve brands, powered by the **3DEXPERIENCE** Platform, we have the broadest portfolio of software applications in the market. Our brands are organized into four quadrants around the compass that symbolizes our platform:

- social and collaborative applications: 3DEXCITE, CENTRIC PLM, ENOVIA;
- 3D modeling applications: SOLIDWORKS, CATIA, GEOVIA, BIOVIA;
- simulation applications: SIMULIA, DELMIA, 3DVIA;
- information intelligence applications: NETVIBES, MEDIDATA.

#### Sectors

Dassault Systèmes' Industries develop Solution Experiences, industry-focused offerings which deliver specific value to companies and users in a particular industry. Dassault Systèmes serves eleven industries grouped into three sectors: Manufacturing Industries (Transportation & Mobility; Aerospace & Defense; Marine & Offshore; Industrial Equipment; High-Tech; Home & Lifestyle; Consumer Packaged Goods – Retail) – Life Sciences & Healthcare – Infrastructure & Cities

(Infrastructure; Energy & Materials; Architecture; Engineering & Construction; Cities, Public & Business Services).

## Geos

Our twelve GEOs are responsible for driving the development of our business and implementing our customer-centric engagement model. They are structured into 3 groups:

- the “Americas” group, made of 2 GEOs;
- the group named “Europe”, comprising Europe, Middle East, Africa and Russia (EMEAR) and made of 5 GEOs;
- the group named “Asia”, comprising Asia and Oceania and made of 5 GEOs.

They will leverage our strong network of local customers, users, partners, and influencers.

### 1.4.1.3 Dassault Systèmes’ Key Competitive Strengths

Dassault Systèmes is a world leader in industry transformation. The company has unique assets, allowing it to work toward its new ambition announced in February 2020: achieve the virtual twin experience of Human. After supporting the transition of the economy from product to experience, Dassault Systèmes will now power the new transition “from things to life”.

**Dassault Systèmes is a science-based company. It is positioned at the heart of the Industry Renaissance by combining art, science and technology for a sustainable society.**

The company’s purpose is to “harmonize products, nature and life”. Its distinctive DNA gives it the ability to scientifically model and accurately represent the world through a multidisciplinary, multiscale approach. Built on the notion of “virtual twin experience”, our Industry Solutions Experiences portfolio relies on a deep understanding of industrial processes.

**Dassault Systèmes has acquired its longstanding leadership position through an ability to define new markets and create new offers, expanding from 3D design and 3D digital mock-ups to product lifecycle management and now 3DEXPERIENCE. This market leadership is underpinned by a clear and strong commitment to innovation in all its forms, either internally at Dassault Systèmes or with our customers and their ecosystems.**

Dassault Systèmes therefore invests substantially in R&D, with a long-term view. Important areas of investment in R&D include the 3DEXPERIENCE business platform architecture, modeling technologies (3D, systems engineering, natural resources and biosystems), technologies for realistic simulation

of products, production processes and usage, technologies for intelligence information (artificial intelligence, optimization, big data analytics, with a notable focus on healthcare), and connectivity technologies (for social or structured collaboration and program management & compliance). The Company’s R&D efforts consistently aim to deliver breakthrough user experiences and expand the usage domain through immersive experiences, native cloud and mobility solutions.

**Dassault Systèmes’ long-term vision is supported by a solid financial model with a high level of recurring software revenue.**

We believe that sustainable market leadership requires such a long-term vision achieved by investing in people and maintaining a long-term financial model. We have a diverse, highly educated workforce, which at of the end of 2020 totaled 19,789 employees from 133 countries. The Company’s financial model, with a high level of recurring software revenue representing 80% of our total non-IFRS software revenue in 2020, has enabled us to maintain and indeed increase investments in R&D and customer support. The significant level of diversification of Dassault Systèmes revenue across eleven industries and twelve geos supports our robust and sustained growth, even unstable macroeconomic times.

**Dassault Systèmes’ 3DEXPERIENCE software applications have been integral to our success and continue to be the principal areas of investment through internal research and development and selective acquisitions.**

Our 3DEXPERIENCE portfolio is comprised of 3D modeling, simulation, social and collaborative applications, and information intelligence applications. One of our key objectives is to create a portfolio of brands that are leaders in their respective markets (see paragraph 1.4.2.3 “Our Software Applications Portfolio”). In support of our “Human Industry Experiences” strategy, our portfolio architecture is designed to create value at three levels: Solutions for the Company, Processes for the organization or team, and Roles & Apps for each user. **Dassault Systèmes thus contributes to the transformation of industries by creating new jobs for the workforce of the future, notably around its “3DEXPERIENCE EDU” initiatives.**

**Dassault Systèmes has a diverse customer base in terms of size and geographic origin.** Our clients range from the smallest companies in the world to global leaders and the disruptors who are redefining their industry in the 21st century. We distribute our products through direct and indirect sales channels, working with our commercial partners. And we are continuing to pursue our strategy of customer and market diversification.

**Dassault Systèmes has forged a strong and vibrant ecosystem of commercial and software development partners, technology and education institutes, research bodies and systems integrators. Dassault Systèmes also supports a wide ecosystem of startups through the “3DEXPERIENCE Lab”, an open innovation facility focused on accelerating disruptive, sustainable innovation.**

Since its inception in 1981, Dassault Systèmes has worked in close partnership with other professionals in software development and technology, in sales and marketing, in services and in education and research. More recently, we have extended our relationships with systems integrators offering strong industry expertise and regional presence for both sales and services. The Company has an extensive ecosystem of more than 400 software development partners building applications to complement its software portfolio. The 3DEXPERIENCE Marketplace gathers around 300 partners providing “make” or “engineering” services or sharing data on parts (PartSupply). With its sights on the future, Dassault Systèmes is working closely with academic, research and medical organizations around the world to equip students with a learning environment augmented by virtual technologies.

#### 1.4.1.4 Growth Strategy

Based on our 3DEXPERIENCE platform and software portfolio, we estimate that our current total addressable market (TAM) in the software domain is approximately \$42 billion, based on external data. Dassault Systèmes benefits from large levers for further growth with a potentially accessible market (PAM) of around \$100 billion. This addressable market is split across the three main economic sectors served by Dassault Systèmes: Manufacturing Industries (around \$23 billion TAM), Life Sciences and Healthcare (around \$10 billion TAM), and Infrastructure & Cities (around \$10 billion TAM).

Dassault Systèmes is developing its business through several growth drivers, notably:

- **the 3DEXPERIENCE platform:** this platform offers two complementary opportunities. As a system of operations, the 3DEXPERIENCE platform enables businesses to improve their operational excellence. As a business model, it connects customers and partners through a global network including marketplace services. The platform is also the preferred channel for the relationship between Dassault Systèmes, its customers and the entire ecosystem, enabling it to capitalize on and accelerate the customer experience. **This approach, called “IFWE Loop,” which smoothly and continuously combines creativity and operations, is systematically implemented across**

**Dassault Systèmes’ organizations and throughout its ecosystems;**

- **Industry diversification:** we are constantly working to expand our presence in each of our eleven target industries, in particular through the coverage of new sub-segments. For further information, see paragraph 1.4.2.1 “Industries and Customers”;
- **cloud and mobile** applications bringing new users and usages: The 3DEXPERIENCE platform is built around an online architecture. With our portfolio now increasingly accessible in the cloud, we have new opportunities to develop our cloud and mobile offerings to reach new users and usages. For further information, see paragraph 1.5 “Research and Development”;
- **domain diversification:** We continue to invest in expanding the coverage of each of our brands and in broadening their respective bases. Within a company or ecosystem, our applications now cover a large portion of employees working to create the product experience for the end-user, from design, engineering and simulation to production, quality assurance and compliance, operations planning, marketing and points of sale. For further information, see paragraph 1.4.2 “Dassault Systèmes’ offering”;
- **geographic diversification:** We have identified opportunities to step up our presence and strengthen and expand our global footprint through twelve regional field organizations designed to prioritize and drive the Company’s growth initiatives at the local level and stay closely aligned with our customers’ needs;
- **acquisitions expanding our addressable market:** Our acquisition policy is in line with our purpose and strategy. We review potential acquisitions that expand the domain expertise of our brands, enhance our industry offering and address our customers’ growing needs. To execute this strategy and create brand value, we round out our internal developments through key selected acquisitions. For further information, see paragraphs 1.4.2 “Dassault Systèmes’ offering,” 1.5 “Research and Development” and 1.5.4 “Investments”;
- **sustainable innovation for industry:** through its support for customers in developing sustainable innovations, Dassault Systèmes is meeting the sustainable development challenges of the 21<sup>st</sup> century head on, and in doing so nurturing significant business opportunities through the transformation of global industries.

For a description of the challenges that must be met to maintain growth, see paragraph 1.9.1 “Risks Related to the Business.”

## 1.4.2 Dassault Systèmes' Offering

### 1.4.2.1 Industries and Customers

Every day, our customers turn industry challenges into business opportunities and deliver value to their customers. The 3DEXPERIENCE Platform combines applications, content and services to help them develop innovative solutions.

Our customer base is comprised of global leaders, mid-market companies, small companies and startups, and also includes government and educational institutions.

Our market strategy is industry-based. Commencing in 2012, we undertook a significant shift in this strategy, moving to a multiyear industry-focused approach aligned with the key business objectives and processes of our target industries and market segments.

We have grouped industries we serve into three main sectors: Manufacturing Industries, Life Sciences & Healthcare, and Infrastructures & Cities.

Each of our eleven industries is divided into market segments.

Sector/Industry	Market Segments We Address
<b>MANUFACTURING INDUSTRIES</b>	
Transportation & Mobility	Cars & Light Trucks OEMs, Racing Cars, Motorcycles, T&M Industry Suppliers, Trucks & Buses, Trains, Mobility Services
Aerospace & Defense	Commercial Aviation, Aerospace & Defense Suppliers, Propulsion, Defense, Air Transportation, Space
Marine & Offshore	Naval Shipyards, Commercial Shipyards, Offshore, Yachts & Workboats, Marine Suppliers, Marine & Offshore Specialists
Industrial Equipment	Industrial Robots, Machine Tools & 3D printers, Specialized Manufacturing Machinery, Heavy Mobile Machinery & Equipment, Building Equipment, Power & Fluidic Equipment, Fabricated Metal & Plastic Products, Tire Manufacturers, Professional Services
High-Tech	Consumer Electronics, Security, Control & Instrumentation, Computing, Software & Communications, Contract Manufacturing Services, Technology Suppliers, Semiconductors, Telecom & Media Operators
Home & Lifestyle	Furniture & Home Goods, Sports & Leisure Goods, Fashion & Luxury Goods, Specialist Retailers
Consumer Packaged Goods – Retail	Food & Beverage, Beauty & Personal Care, Household Products, Packaging, General Retailers
<b>LIFE SCIENCES &amp; HEALTHCARE</b>	
Life Sciences & Healthcare	Pharmaceuticals & BioTechs, Medical Devices & Equipment, Patient Care
<b>INFRASTRUCTURE &amp; CITIES (AT JANUARY 1, 2022)</b>	
Infrastructure, Energy & Materials	Mining, Metals & Minerals, Oil & Gas, Chemicals, Power, Civil & Transportation Infrastructure
Architecture, Engineering & Construction	Utilities, Building & Facilities, Construction Products & Services, Agriculture & Forestry
Cities, Public & Business Services	Cities & Territorial Authorities, Public Contractors, Banking & Insurance, Logistics Solutions, Education

The breakdown of our non-IFRS software revenue in 2021 by our three sectors was as follows: Manufacturing Industries 69%, Life Sciences & Healthcare 22% and Infrastructure & Cities 9%. Within the Manufacturing Industries sector, main industries were Transportation & Mobility, Industrial Equipment, Aerospace & Defense representing respectively 24%, 18% and 11% of our non-IFRS software revenue in 2021.

### 1.4.2.2 3DEXPERIENCE platform

**Dassault Systèmes' 3DEXPERIENCE platform catalyzes and fuels innovation, enabling businesses to connect the dots within and outside a Company, from upstream thinking to design, engineering, manufacturing and sales & marketing, all the way to ownership.**

**Virtual experience platforms for industry, urban development and healthcare will become the infrastructures of the 21st century.**

Today, the sustainable innovation model is predicated on creating holistic experiences. Only by connecting all the dots between people, ideas, and data can a business create differentiating customer experiences and drive consumer loyalty, engagement, and value.

**The 3DEXPERIENCE platform is a game-changer in delivering value to businesses because it is the only platform that is both a system of operations for running their business and a business model for transforming it. As a system of operations, the 3DEXPERIENCE platform enables businesses to enhance their operational excellence; and as a business model, it helps them create the most innovative value networks.**

Our platform offers both a fresh approach to innovation by connecting R&D, engineering, production, marketing and end-users, and an innovative business model directly linking sellers and buyers, purchasers and subcontractors, service providers and end-customers.

The 3DEXPERIENCE platform powers and enriches the brands and addresses the needs of the eleven industries we serve. It connects all Dassault Systèmes applications, as well as those deployed by our customers. It allows everyone involved in an innovation project – from the research lab to the consumer – to work together, while giving them unified access to all the necessary data.

### The 3DEXPERIENCE platform as a system of operations

Our platform provides all organizations with a holistic real-time vision of their own business and ecosystem, unifying all of their activities from engineering, manufacturing and marketing to value networks and end-customers in a single collaborative and interactive environment.

It thus empowers them to test consumer experiences holistically before actually producing them.

As a system of operations, the 3DEXPERIENCE platform delivers value to 3 audiences:

- for companies looking to transform their business: **Industry Solution Experiences;**
- for efficient teams: **Industry Process Experiences;**
- for Champion users: **Roles & Apps.**

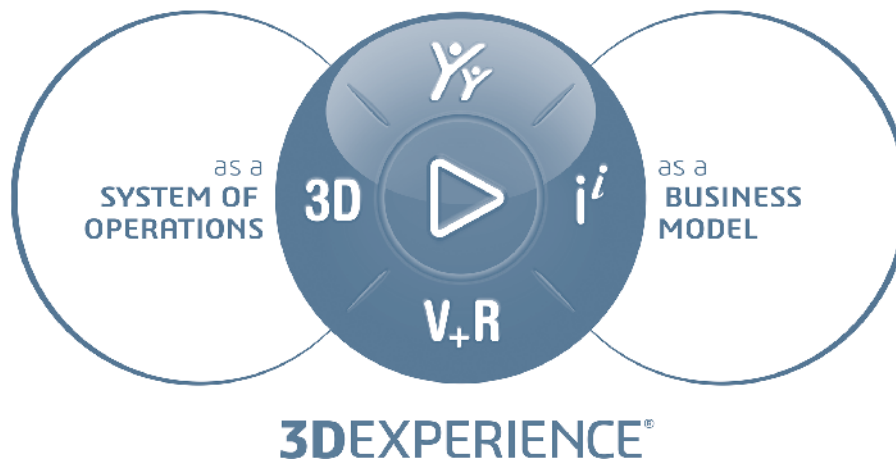
### The 3DEXPERIENCE platform as a business model

The 3DEXPERIENCE platform is meant to be a catalyst fueling innovation for companies looking to adopt a platform-based business model.

This is why the platform also acts as a marketplace, connecting service providers (3D printing, design, etc.) and buyers. Through our 3DEXPERIENCE Marketplace, we offer a seamless way to connect companies and providers, giving them a single unified environment to manage the entire value network. The 3DEXPERIENCE Marketplace spans the full design, engineering and virtual manufacturing processes. The first two services are Make, for on-demand manufacturing, and Part Supply, for intelligent part sourcing.

The Marketplace offers two categories of services:

- Community services are available to everyone. All users in our installed base have access to our 3DEXPERIENCE Cloud platform and can buy or sell on the Marketplace. They can also select partners according to specific criteria, and we process the actual transactions;
- Enterprise services give companies the ability to have their own private Marketplace. We check their credentials to qualify for more advanced dynamic services, and also conduct transactions.

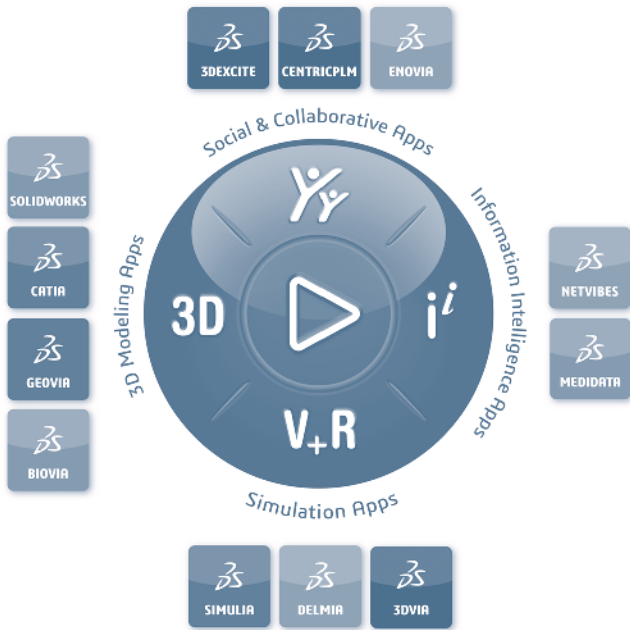




### 1.4.2.3 Our Software Applications Portfolio

#### 3DS Brands by quadrants of the Compass.

Symbolized by the Compass, the 3DEXPERIENCE platform is structured into four quadrants encompassing our twelve Brands.



#### 3D Modeling Applications

##### *SOLIDWORKS – Authentic Design Experience*

SOLIDWORKS is focused on providing design solutions that are simple to use and deploy, yet very powerful and accurate.

SOLIDWORKS solutions are multi-disciplinary and cover 3D design, electrical and printed circuit board design, product data management, simulation, manufacturing and technical communication. All SOLIDWORKS solutions are integrated in the 3DEXPERIENCE platform. SOLIDWORKS is also defining the future of design with a new lineage of 3DEXPERIENCE applications – “X” Apps – that run on any device with an internet browser and offer an innovative design guidance approach.

Industry leaders, SOLIDWORKS programs also have great success with early adopters, for example in the field of education, where we are present in more than 80% of the world’s top engineering schools, and in fab labs, maker spaces and innovation accelerators.

##### *CATIA – Shape the World We Live in*

CATIA is the leading solution spanning the complete development and innovation process, from early concept definition to experience delivery.

CATIA shifts traditional 3D CAD (computer-aided design) expectations to cognitive augmented design, which fuses simulation and modeling. Leveraging knowledge, know-how and proven technology to automate design and systems engineering, CATIA is helping to shape a connected world by offering all the features for design of connected objects and experiences powered by cyber-systems.

CATIA affords an intuitive user experience, powered by 3D, Web services, and mobile and augmented reality technologies. CATIA ultimately allows innovator social communities to collaborate virtually and co-design experiences.

Lastly, through its cyber-physical systems modeling and simulation capabilities, CATIA is integral to 3DEXPERIENCE-based industry solutions for model-based systems engineering, enterprise architecture, concept modeling, and ontologies. These solutions enable global industry leaders to develop the “Internet of Experiences” – the smart and autonomous virtual experiences that digitally connect products, nature and life in the real world.

##### *GEOVIA – Model the Planet*

GEOVIA combines Earth sciences and engineering to connect the natural and built environments and ultimately drive sustained safety, predictability and productivity. Leveraging the 3DEXPERIENCE platform, GEOVIA provides a single source of truth to a community of geoscientists and engineers, helping them to discover, model and harness the planet’s resources fairly for the benefit of people, businesses and governments.

GEOVIA’s solutions allow our customers to optimize their business processes through a unique and powerful combination of scientific applications and collaborative capabilities enabling data transparency.

In recent years, GEOVIA has helped its mining customers to return to growth thanks to the increasing uptake of 3DEXPERIENCE and to its fit-for-purpose portfolio of geology and mine planning applications. At the same time, GEOVIA has initiated a diversification strategy aimed at delivering value for civil engineering by informing the design and engineering of heavy infrastructures.

##### *BIOVIA – Model the Biosphere*

BIOVIA provides the scientific community with advanced biological, chemical and materials science experiences to create a healthier, more livable and sustainable world. BIOVIA spurs scientific collaboration by making science accessible through democratizing knowledge and know-how, driving scientific innovation to achieve sustainable development by creating new materials and identifying and developing targeted life-saving therapeutics.

BIOVIA is uniquely positioned to provide high value to science-driven companies, giving them the means to model, simulate, organize, analyze and share data in unprecedented ways. It offers solutions for research, formulation, development processes, manufacturing and quality. BIOVIA connects the virtual world of scientific modeling and simulation with the real world of scientific physical laboratory experimentation through data science and artificial intelligence. Partnerships leveraging BIOVIA's deep long-term scientific expertise are advancing innovation and increasing productivity while assuring regulatory compliance, reducing costs and shortening time to market.

### Simulation Applications

**The 3DEXPERIENCE platform lets you test possible scenarios against reality.**

3DEXPERIENCE is made possible by real-time realistic simulation. Dassault Systèmes has made big investments in technologies and services to simulate complex behaviors, production system execution, additive manufacturing processes, logistics operations and consumer usages in everyday life. It has unique assets for complexity management and multiscale, multidiscipline simulation (structures, fluids, electromagnetics, acoustics, etc.). Building simulation into the design and virtual manufacturing process makes it possible to optimize product design in accordance with the manufacturing process and with robustness, weight, and cost constraints.

#### *SIMULIA – Reveal the World We Live in*

SIMULIA helps the scientific and engineering communities reveal the world we live in through realistic simulation of products, nature and life. We provide robust, high-added-value, end-to-end industry processes for virtual engineering that employ state-of-the-art connected multidisciplinary-multiscale simulation applications. Using SIMULIA applications to simulate behavior in the fields of electromagnetics, fluids, structures and vibroacoustics, product development teams are able to reduce testing, increase reliability and quality, and get to market faster.

As an integral part of the 3DEXPERIENCE platform, SIMULIA applications power sustainable innovation at all stages of the product lifecycle from product requirements to design and manufacturing data and in-use scenarios.

#### *DELMIA – MAKE It Happen*

A key feature of Dassault Systèmes' 3DEXPERIENCE platform is the connection between the virtual and real worlds. Operational excellence requires harmonized design, production, distribution, human resources management and processes. DELMIA enables global industrial operations to design and test the manufacturability of products in a simulated, virtual environment; optimize the supply chain; and operate factories, warehouses and distribution to manage and fulfill customer demand.

#### *3DVIA – 3D BY ME*

3DVIA helps consumers make important buying decisions in their daily lives by delivering a fast, rich and visually stunning 3D experience for 3D space planning. The brand is driving growth and proliferation of 3D among consumers via two separate target audiences.

For consumers and interior designers, the HomeByMe application offers a free tool for consumers and is currently used by over 2.3 million people to create images online every 40 seconds. Our professional subscriptions enable interior designers to offer their customers a game-changing level of speed, responsiveness, ease of use and visual impact with 360° virtual reality and augmented reality. For retailers, 3DVIA offers two products that support a virtual omnichannel buying experience: HomeByMe for Kitchen Retailers and HomeByMe for Home Retailers. These products afford an interactive 3D room-planning experience dedicated to furniture retailers and their customers.

#### *Information Intelligence Applications*

**The 3DEXPERIENCE platform allows you to calibrate and contextualize experiences considering all the information within and outside the Company.**

The 3DEXPERIENCE platform provides unique intelligent information, artificial intelligence, semantic indexing and search capabilities. Leveraging the ultimate new data science, machine learning technologies and modeling, the 3DEXPERIENCE platform makes it possible to understand, analyze, correlate, infer, describe, predict and prescript very complex information. This profound dialogue between the virtual model and data is unique to Dassault Systèmes and cannot be found elsewhere.

#### *NETVIBES – Reveal Information Intelligence*

In 2020, Netvibes, Exalead and Proxem solutions have been brought under one single and powerful brand, NETVIBES.

NETVIBES transforms massive information flows into actionable insight, providing industry perspective (including customers, industry & market trends or competition).

NETVIBES transforms intuition into real world evidence, augmenting the virtual twin experience with contextualized real world data.

NETVIBES elevates any individual experience to reusable knowledge and knowhow, transforming all historical actions, documents, interactions into an enterprise patrimony.

### ***MEDIDATA – Power Smarter Treatments and Healthier People***

MEDIDATA is leading the digital transformation of life sciences. MEDIDATA, is dedicated to improving the way clinical research is designed, conducted, analyzed, and utilized. Its ultimate goal is to bring the right therapy to the right patient at the right time and transform the patient experience.

An enormous amount of safety and efficacy information is needed to gain regulatory approval for a new therapeutic or diagnostic product. Today, billions of data points exist in silos, in different formats, across medical centers around the world. MEDIDATA collects, cleans, standardizes, manages, and analyzes numerous data types to support clinical development and commercialization in more than 120 countries. Discovering and modeling clinical insights helps pharmaceutical, biotech, medical device and diagnostic companies, and academic researchers accelerate value, minimize risk, and optimize outcomes from their research programs.

MEDIDATA, comprising nearly 22,000 trials and nearly six million patients, is constantly exploring new concepts and techniques to introduce the next generation of solutions; ones that can make precision medicine a reality across the entire continuum of clinical development. ACORN AI, by MEDIDATA, uses advanced analytics to uncover actionable insights that accelerate breakthrough clinical innovations, and optimize study execution and commercial success. Powered by the 3DEXPERIENCE platform, MEDIDATA offers end-to-end capabilities including discovery, development, insight generation, modeling, and manufacturing, and opens up tremendous possibilities for life sciences and healthcare innovation.

More than 1,700 customer and partner organizations access the world's largest, cloud-based platform of solutions for clinical development, commercial, and real-world data. On average, 40 percent of drugs approved by the US Food and Drug Administration (FDA) during 2017/2019 were powered by MEDIDATA's technology. Globally, all of the top 20 pharmaceutical companies, ranked by revenue, use MEDIDATA technology.

### **Social and Collaborative Applications**

**The 3DEXPERIENCE platform allows you to bring together and catalyze a diversity of talents.**

The 3DEXPERIENCE platform allows any business to become social, extending from structured program and organization to social and open communities. The platform connects people, ideas, data and solutions into a social innovation approach.

### ***ENOVIA – Plan your Definition of Success***

Innovation means global teams collaborating with clarity, confidence and consistency. ENOVIA, powered by the 3DEXPERIENCE platform, enables to plan and track the definition of success for your customer. With a broad portfolio of technical and business applications, ENOVIA enables stakeholders across the enterprise to contribute to sustainable innovation.

Intelligent Business Modeling and Planning allows to create a virtual twin of the enterprise to more effectively identify market opportunities and plan products and services to capitalize on these opportunities. Intelligent business models deliver information in context, assisting the user in making more effective plans aligned with business strategy and corporate standards. Intelligent Product Configurations delivers capabilities to develop transformational innovations through multi-discipline collaboration, real-time operational assessments and business intelligence.

### ***CENTRIC PLM – Plan your Collection's Success***

CENTRIC PLM innovations drive digital transformation for the most prestigious companies in fashion, retail, luxury, footwear, outdoor and consumer goods. Centric's flagship Product Lifecycle Management (PLM) solution, Centric 8, includes 15 mobile apps and delivers enterprise-class merchandise planning, product development, sourcing, business planning, quality and collection management functionality tailored for constantly moving consumer industries. Centric SMB, tailored for emerging brands, packages innovative technology with key industry learnings. Centric Visual Innovation Platform (Centric VIP) is a touchscreen-based family of boards that transforms group decision making and automates execution to truly collapse time-to-market and distance-to-market trend while optimizing collections.

### ***3DEXCITE – Engineer the Excitement***

3DEXCITE drives marketing transformation by game-changing software solutions based on the 3DEXPERIENCE platform. We call this transformation Marketing in the Age of Experience.

In the experience economy, the product alone is no longer enough to guarantee success. Customer expectations for personalization at all stages of the selection, buying and ownership process. Marketers are transforming how they think, operate and collaborate with their ecosystems to dramatically improve customer experience and reduce time to market. In parallel, the rise of the consumer is providing huge opportunities for business to make the voice of the consumers a source of innovation. In this context, 3DEXCITE provides major assets. First, to reduce to zero the time required to reach the customer by an industrialized automated mass personal content pipeline. Second, to leverage all semantic and context from the data integrated in the virtual twin of the product and thus provide product facing intelligence that is always up to date, consistent and impactful. Third, to quickly assemble and orchestrate value networks across disparate organizations and drive breakthrough innovation.

#### 1.4.2.4 3DEXPERIENCE WORKS

In 2019, Dassault Systèmes introduced **3DEXPERIENCE WORKS**, a new family of specialized business applications on the **3DEXPERIENCE** platform for small and medium-sized companies that want to expand their business. Small and mid-sized firms worldwide need digital solutions to grow but have long been challenged to find ones that are right for their size. By introducing **3DEXPERIENCE WORKS**, Dassault Systèmes brings the platform benefits to them. **3DEXPERIENCE WORKS** extends the ease of use and simplicity that have been hallmarks of **SOLIDWORKS** applications to a new category of solutions composed of fine-tuned and simplified applications. **3DEXPERIENCE WORKS** uniquely combines social collaboration with design, simulation, manufacturing and manufacturing ERP capabilities in a single virtual collaborative environment to help growing businesses become more inventive, efficient and responsive. The **3DEXPERIENCE WORKS** family includes **SOLIDWORKS**, **DELMIAWORKS**, **ENOVIAWORKS** and **SIMULIAWORKS**.

#### 1.4.2.5 Industry Solution Experiences

3DS teams engage with their customers based on a portfolio of Industry Solution Experiences and Industry Process Experiences that are meaningful combination of roles developed by brands.

3DS portfolio is structured as followed:

- Industry Solution Experiences answer the challenges of an industry: for example Engineered to Fly allows Aerospace & Defense suppliers to accelerate production and go-to-market lifecycles from bid to delivery.
- Industry process experience correspond to the business process used by a team in the context of the solution: let's take the example of Aerospace Composite Engineering in Engineered to Fly: this industry process experience aims at helping to design, optimize and produce composites parts with process-oriented applications;
- Roles correspond to the work of one individual in the context of the industry process – for example Composites Braiding & Forming Engineer in the context of Aerospace Composite Engineering correspond to the job of an engineer.

3DS industry portfolio is forward looking. It is carefully crafted by industry segment based on “what my industry values the most” – its most important challenges. 3DS portfolio aims at helping to answer to these challenges and ensure 3DS customers that they become innovation and sustainability front-runners.

Each Industry Solution and Industry Process Experiences has a set of Key Value Indicators to explain the value to customers and allow them to monitor it – these key value indicators can be as broad as acceleration of innovation lifecycle, operational efficiencies, reduction of time loss, reduction of CO<sub>2</sub> emissions or increase of revenues.

While crafting this portfolio, specific attention is paid to ensure that the 3DS industry portfolio also helps customers become even more sustainable, by limiting footprint and increasing handprint – for example: reducing physical testing and increase virtual testing; optimizing factory operations; simulating the environmental impact of a product or process, etc.

This commitment to help our customers across all industries to develop new products, materials and processes needed to build a more sustainable economy is at the heart of Dassault Systèmes' *raison d'être*. You can learn more about our approach to sustainable development and our ambitions in the sections “1.8 Environmental, Social, and Governance Performance” and “2.7.2 EU Taxonomy Indicators”.

This well-structured portfolio allows companies to embark on significant digital transformation, while having a clear overview of the impact and desired outcomes for their organizations, as well as the jobs and skills of their people. Both C-level and operational teams can understand and track the outcomes of transformation projects at their own level.

Each Industry Solution and Industry Process Experience also encompasses Dassault Systèmes' knowledge and the know-how in the eleven industries we serve, which allow our customers to get up to speed quickly and close the gap with the competition.

By December 31, 2020, 3DS offered a total of 88 Industry Solution Experiences, 521 Industry Process Experiences and 437 roles.

#### 1.4.2.6 How we engage with customers

Our customers extend from startups, small and mid-sized companies to the largest firms in the world and also include educational institutions and government departments. Dassault Systèmes leverages its **3DEXPERIENCE** Platform to engage seamlessly with all customers, accelerate its growth, and to define and execute sales processes.

Together with our partners, we have developed five ways to engage with our customers and provide them with the right value at the right time:

- Customer Solution Experiences: a direct engagement approach for companies that are under transformation and are looking for the greatest value for their customers;
- Customer Process Experiences: a partnership-based approach for organizations that seek optimal operational performance from their industrial processes;
- Customer Role Experiences: a partnership-based approach for organizations whose users want to achieve excellence and need to be provided with knowledge and know-how to perform on their job;
- Customer Online Experiences: a direct engagement approach for organization who expect end-to-end, full online engagement from Dassault Systèmes, revolving around cloud-delivered roles. This continuous relationship with users helps growing businesses become more inventive, efficient and responsive;
- Life Science Engagement: an engagement approach for Life Sciences & Healthcare organizations.

#### 1.4.2.7 Estimated Addressable Market Size, Market Position and Competitors

##### Total addressable market

The total addressable market is estimated at approximately \$42 billion. The total addressable market sizing use third party estimates of software domains, analyzed and compared to the software capabilities of the company's offer. Third party estimates do not take into account internally developed software by companies but only commercially sold software.

##### Market positioning

Dassault Systèmes is leader in the 3D Product Lifecycle Management (PLM) market, which includes 3D software for design, simulation, digital manufacturing, product data management and collaboration. Dassault Systèmes is also one of the world's leading 3D design and engineering simulation software providers with CATIA, SOLIDWORKS and SIMULIA

brands. The **3DEXPERIENCE** provides the most complete user experiences, as they go beyond the simulation of the individual physics or multi-physics capabilities.

By industrial sector, Dassault Systèmes is one of the leading software vendor in Manufacturing Industries and Life Sciences & Healthcare. In Infrastructure & Cities, with the **3DEXPERIENCE** platform, the Company' approach meets the growing needs of infrastructure operators and public authorities to transform their services and their organizations in the face of the accelerated virtualization of the world.

##### Competitive landscape

The software market is highly-competitive. Dassault Systèmes broadens the addressable market by expanding its product portfolio, diversifying its client base, and developing new applications and markets. The level of competition also increases from new competitors ranging from technology start-ups to the largest technology and industrial companies in the world.

In Manufacturing Industries, competitors in the PLM market include but are not limited to Siemens Digital Industries, Autodesk and PTC, simulation vendors with ANSYS, Altair Engineering, MSC Software (owned by Hexagon), collaborative enterprise business processes and industrial operations software vendors like Oracle and SAP.

Life Sciences & Healthcare sector is a highly fragmented market with the three largest players, including ourselves, representing less than 30% of market shares. There is a wide range of competitors in research and discovery (Schrödinger and Benchling), in preclinical development (Labware and Thermo Fisher Scientific), in clinical testing (Oracle and Veeva), in manufacturing (SAP, SAS and Tibco) and in commercialization (Veeva, and Model N).

Other actors, mostly software developers, that directly or indirectly compete with us include but are not limited to Adobe, ARAS, Aveva Group (owned by Schneider Electric), Bentley Systems, Epicor, Infor, Intergraph (owned by Hexagon), JDA Software, Microsoft, Nemetschek, Palantir Technologies, Plex, Salesforce.com, and other software companies in the mining sector or offering information intelligence, social enterprise innovation, collaboration software capabilities or digital marketing.

## 1.4.3 Material Contracts

Other than contracts entered into by the Company in the ordinary course of business, Dassault Systèmes' material contracts are principally the distribution agreements with its value-added resellers and system integrators, as described in paragraph 1.4.2.6 "How we engage with customers," and the strategic partnership contracts described in paragraph 1.5 "Research and Development" (see in particular paragraph 1.5.1 "Overview").

### Business contracts

#### The Boeing Corporation

In 2017, The Boeing Corporation and Dassault Systèmes entered into a new, extended strategic partnership agreement pursuant to which Boeing will expand its deployment of Dassault Systèmes software across its commercial aviation, space and defense programs to include Dassault Systèmes' 3DEXPERIENCE platform. Following an extensive evaluation process, Boeing selected Dassault Systèmes as its technological partner for its digital transformation strategy: PLM (Product Lifecycle Management), authoring and manufacturing operations management tools.

Boeing is continuing to modernize its systems to maximize economic benefit to the company and its shareholders.

### Financing

#### Bond

In September 2019, Dassault Systèmes SE issued its four-tranche fixed rate bond for a total of €3.65 billion. This issuance was part of the financing of the acquisition of Medidata completed in October 2019. See paragraph 3.1.6 "Capital Resources" and Note 19 to the consolidated financial statements.

#### Term loans and Line of credit

To finance the acquisition of Medidata, Dassault Systèmes SE also subscribed two loans on October 28, 2019 with maturities on October 28, 2024 in the amount of €500 million and \$530 million, respectively. On July 2, 2021, Dassault Systèmes SE made early repayments on these loans of €200 million and \$150 million, respectively. As of December 31, 2021, the amounts outstanding on these loans were €100 million and \$150 million, respectively.

In connection with the acquisition of Medidata, Dassault Systèmes SE also 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 2021, Dassault Systèmes SE extended its maturity for an additional year, bringing the maturity date of this credit facility to October 28, 2026. As of December 31, 2021, the line of credit was not drawn down.

See paragraph 3.1.6 "Capital Resources" and Note 19 to the consolidated financial statements.

### Leases

Dassault Systèmes signed long-term leases (for twelve years) for its corporate headquarters in Vélizy-Villacoublay, France (the "3DS Paris Campus") in 2008 and for its offices, technology lab and data center in Waltham, outside Boston, United States (the "3DS Boston Campus") in 2010. In February 2013, Dassault Systèmes SE entered into a new lease for its headquarters facilities for a non-cancelable initial term of 10 years as from the delivery date of an additional building of approximately 13,000 square meters which took place in the fourth quarter of 2016. Close to that site, Dassault Systèmes SE also leases since October 2010 approximately 11,000 square meters more in a building located in Meudon-La-Forêt. In September 2016, the 3DS Boston Campus lease was extended for 25 months. The initial lease provided for a period of 12 years and will therefore end on June 30, 2026.

In December 2019, Dassault Systèmes SE signed a new lease contract for a fixed term of 10 years from the delivery of an additional building of approximately 28,000 square meters of office space within the 3DS Paris Campus, which shall take place during the second quarter of 2023. The minimum future lease payments over the lease term amount to approximately €81.1 million. In this context, leases of existing buildings have been renegotiated, notably to extend their term from 2026 to 2032.

On February 14, 2020, Dassault Systèmes acquired the leasehold rights, for a period of 75 years, for two buildings located near the Dassault Systèmes offices in Pune, India (the "3DS Pune Campus"), for an amount equivalent to €42.8 million, as part of the expansion plan for this campus. One of the two buildings was fully fitted-out and delivered in October 2021, and the fitting-out of the second building is expected to be completed in mid-2022.

See paragraph 1.9.2.1 "Liquidity Risk" and Notes 18 and 24 to the consolidated financial statements.

## 1.5 Research and development

### 1.5.1 Overview

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Principal areas of investment in R&D are related to the **3DEXPERIENCE** business platform foundations and services.

Moreover, the Company's R&D effort mainly aims at providing major breakthrough on user experiences and on the expansion of the reach of its portfolio with immersive, mobile and native cloud solutions.

As of December 31, 2021, the Group's R&D teams included 8,390 personnel, compared to 8,093 at year-end 2020, representing approximately 41% of the total headcount. The Group increased its total R&D headcount by 3.7% in 2021, after a 7.7% increase in 2020.

The Company has R&D facilities in the countries where its clients and high-talent employees are located: in Europe (mainly France, Germany, the United Kingdom, the Netherlands, Poland, and Lithuania), the Americas (mainly United States) and Asia-Pacific (mainly India, Malaysia and Australia).

R&D expenses totaled €949.3 million for 2021, compared to €935.4 million for 2020, increasing 1.5%. Dassault Systèmes benefited from government grants and other governmental programs supporting R&D of €36.4 million in 2021 and €33.4 million in 2020. These government grants principally include research and development tax credits received in France.

The Company conducts its R&D in close cooperation with customers and users in their respective industries to develop a deeper understanding of the unique business processes of these industries as well as the future product directions and requirements of these industries, customers and users.

We have established long-standing, scientific and technical collaborations with key partners in order to maximize the benefits from available technology and increase the value for shared customers. Our research and technology alliances are established with three objectives: to cover end-to-end solutions with holistic offerings; to participate to the future structure of industries; and to integrate the most advanced features of these technologies into our solutions. Further, Dassault Systèmes is a participant in several hundred public-private projects (for example under the aegis of the FDA, prestigious universities such as Harvard or MIT, and world leading institutes such INRIA and INSERM), collaborates with renowned scientists (including Nobel Prize winners) and is engaged in technology partnerships across the eleven industries (and industry sub-segments) it serves.

We have software development partners working in each domain of our software solutions. Our global affiliate program enables developers to create and market their own applications fully integrated with and complementary to our software solutions.

Dassault Systèmes is deeply committed to creating quality solutions that allow its customers to meet the critical business requirements of the industries in which they operate. This commitment to quality is evidenced by its well-established Quality Management System certified ISO 9001:2015 – the latest version of the standard focusing on operational excellence and performance.

## 1.5.2 Cloud and Services

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The **3DEXPERIENCE** platform provides cloud-based technologies and services to enable secured and controlled online collaborative environments to share and innovate on any computer. This technology is unique, optimized for big data and available for remote usage for a wide variety of industry uses.

In 2021, the **3DEXPERIENCE** platform on the cloud has been certified by the highest security standards: ISO27001:2017 (Information Security Management System), on the full scope of design, development, delivery, deployment, cloud operations and support of the **3DEXPERIENCE** Software as a Service (SaaS), as well as ISO/IEC 27701:2019, extension to ISO 27001 for Privacy Information Management.

Since 2010, our cloud subsidiary Outscale SAS (3DS OUTSCALE) has been providing companies and public organizations with robust, secure and custom Infrastructure as a Service (IaaS) cloud computing services deployed on trusted industrial infrastructure. 3DS OUTSCALE's multi-local cloud provides complete governance in terms of digital security and sovereignty. The compliance with market standards of these cloud computing services allow 3DS OUTSCALE customers to deploy their applications with effective performance control.

On December 4, 2019, 3DS OUTSCALE announced that it had obtained ANSSI's (National Cybersecurity Agency of France)

Security Visa, that is, the *SecNumCloud* qualification, for its entire *Public Sector Cloud* offering, aimed at public and para-public organizations and Operators of Vital Importance (OIV): A first for a cloud service provider. This Security Visa vouches for the highest level of commitment and compliance with security regulations.

3DS OUTSCALE is fully certified ISO 27001 (information security management), ISO 27017 (cloud security), ISO 27018 (privacy protection in the cloud) and Health Data Hosting delivered by ASIP Santé. 3DS OUTSCALE is the fully trusted cloud and has also been awarded the LUCIE ISO 26000 label for its sustainable, responsible and inclusive actions.

Launched in 2021, 3DS OUTSCALE's marketplace expands its portfolio of high-added-value innovative solutions to transform the world of tomorrow. Companies and public decision-makers can choose the applications that meet their needs from the marketplace's trusted ecosystem of recognized software vendors and service platforms.

Finally, 3DS OUTSCALE supports the strategic digital autonomy of France and Europe by providing an industrial, high-performance and trusted cloud that complies with European values and commitments, and by being a founding member of the federation of European clouds Gaia-X.

## 1.5.3 Intellectual Property

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Dassault Systèmes protects its technology by applying a combination of intellectual property rights including copyrights, patents, trademarks and trade secrets. The Company distributes its software products to its customers via licenses that grant software utilization rights without transfer of ownership. The contracts contain various provisions protecting the Company's IP rights over its technology, as well as related confidentiality rights.

The source code (set of instructions under an intelligible form, and used, once compiled, to generate the object code licensed to customers and partners) of Dassault Systèmes' products is protected both as a copyrighted work and as a trade secret. In addition, some of the key capabilities of its software products are protected through patents whenever possible.

However, no assurance can be given that others will not copy or otherwise obtain and/or use Dassault Systèmes' products or technology without authorization. In addition, effective copyright, trade secret, trademark and patent protection or enforcement may be unavailable or limited in certain countries.

Dassault Systèmes is nevertheless engaged in an active anti-piracy and compliance policy and takes systematic

measures to prevent the illegal use and distribution of its products, ranging from regularizing illegal use to initiating legal proceedings.

With regard to trademarks, Dassault Systèmes' policy is to register trademarks for its principal products and services in the countries where it does business. Trademark protection may combine international, European Union and/or national trademark filings.

In order to protect its technology and key product capabilities, Dassault Systèmes generally files patent applications in countries where many of its main customers and competitors are located. At year-end 2021, Dassault Systèmes' portfolio comprised around 700 protected inventions, including 49 new inventions in 2021. Patents have been granted in one or more countries for more than 70% of these inventions, and patents for the others are pending. When a patent protection is deemed unsuitable, certain inventions are kept secret, with the proof of creation being saved. Dassault Systèmes also has a cross-license policy for patents with major players in its industry. In 2021, Dassault Systèmes signed a number of transaction protocols and patent licensing agreements with companies identified as infringing its patents.



See paragraph 1.9.1 “Risks Related to the Business,” and particularly paragraph 1.9.1.5 “Protection of Dassault Systèmes’ Intellectual Property Rights and Assets” for the difficulties in ensuring adequate protection for Dassault Systèmes’ own intellectual property, and paragraph 1.9.1.14

“Infringement of Third-Party Intellectual Property Rights and of Third-Party Technology’s Licenses” for risks concerning the alleged unauthorized use of third-parties’ intellectual property rights by Dassault Systèmes.

## 1.5.4 Investments

### 1.5.4.1 Overview

Dassault Systèmes is focused on three strategic sectors of the economy: Manufacturing Industries, Life Sciences & Healthcare and Infrastructure & Cities. The Company’s ability to define and penetrate new markets has been critical to its success, underpinned by a clear and strong commitment to technological and business innovation.

The investments, in research and development and acquisitions, are aligned with the Company’s strategy. They are the principal driver of our product innovations and enhancements. Acquisitions also complement and extend the business value Dassault Systèmes can bring to industrial sectors, clients and users.

Our research and development expenses totaled €949.3 million in 2021, €935.4 million in 2020 and €737.9 million in 2019. Acquisitions, net of cash acquired, and non-controlling interests amounted €21.4 million in 2021, €89.5 million in 2020 and €5,211.7 million in 2019.

Dassault Systèmes’ investments are in line with its purpose to (i) broaden its offer to answer clients’ multi-discipline challenges, (ii) expand market coverage in the three sectors, and (iii) extend the power of the 3DEXPERIENCE Platform as a system of operations and an operating system.

For further information, see paragraphs 1.2 “Profile of Dassault Systèmes and Our Purpose”, 1.4.1.1 “Our Strategy: Human Industry Experiences” and 1.4.1.2 “Strategic operational elements”.

### 1.5.4.2 Main acquisitions between 2019 and 2020

#### Integrated Manufacturing ERP Solution for small and mid-sized companies

On January 3, 2019, Dassault Systèmes completed the acquisition of IQMS, a manufacturing ERP software company offering an all-in-one solution for managing engineering, manufacturing and business ecosystems by digitally connecting order processing, scheduling, production and

shipping processes in real time. This acquisition allows small and mid-sized manufacturing companies to digitally transform their business operations and access the 3DEXPERIENCE platform, extending the value proposition of SOLIDWORKS, and expanding the market coverage of the DELMIA brand.

#### Clinical Software Leader in Life Sciences & Healthcare

On October 28, 2019, Dassault Systèmes completed the acquisition of Medidata Solutions, Inc., a company specialized in clinical development and data intelligence, and whose clinical expertise and cloud solutions enable the development and commercialization of smarter therapies. This investment opened up a new world of Virtual Twin Experiences in Life Sciences & Healthcare. The combination of MEDIDATA solutions and the 3DEXPERIENCE platform connects the dots between research, development, clinical trials, manufacturing and commercial deployment and positions Dassault Systèmes as a leading partner for the digital transformation of Life Sciences & Healthcare industry in the age of precision medicine and patient-centered experiences.

#### Enhanced Collaborative Data Science

On June 9, 2020 we 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.

#### Advanced 3DEXPERIENCE platform cloud and data science strategy

On December 10, 2020 we completed the acquisition of NuoDB. Founded in 2010, NuoDB develops the most advanced distributed elastic database for cloud environments. The cloud-native distributed SQL database capitalizes on the competitive advantages of the cloud, with on demand scalability, continuous availability and transactional consistency, and is built for mission critical applications.

### Enhanced collaborative business process management

On July 16, 2021, Dassault Systèmes acquired France-based Iterop, a Business Process Management company leveraging BPMN 2.0 standard -a neutral, graphical language. Iterop's cloud-based, agile and inclusive technology gives customers better control of processes, in individual, agile team and regulated industry contexts. Together, Dassault Systèmes and Iterop will enhance the **3DEXPERIENCE** platform and **3DS OUTSCALE** to extend inclusive innovation via the cloud.

### New business planning cloud experiences

On November 15, 2021 Centric Software, a Dassault Systèmes Company, acquired the innovative end-to-end retail planning solution provider, Armonica Retail: Founded in 2018 in Milan, Italy, Armonica provides innovative cloud-native solutions enabling companies to orchestrate an integrated process from planning to development to delivery to omni-channel sales. Armonica's solutions and CENTRIC PLM will deliver digital transformation that provides users significant potential value via the ability to plan, visualize and execute business, based on real-time plan versus actual feedback throughout the entire product lifecycle.

Our principal acquisitions with an individual purchase price greater than €100 million over the last three years include:

Acquisition	Year	Purchase Price
Medidata Solutions, Inc.	2019	€5.1 billion (\$5.8 billion)
IQMS	2019	€379 million
Centric Software (majority ownership acquired in 2018)	2018/2020	€228 million

## 1.6 Company Organization

### 1.6.1 Dassault Systèmes SE's Position within the Company

Dassault Systèmes SE, Dassault Systèmes' parent company, fulfills several roles: first, it is one of the Company's largest operating entities and one of its principal R&D centers, responsible for the development of a number of the Company's software solutions integrated in the **3DEXPERIENCE** platform. Dassault Systèmes SE is also the holding company that owns directly or indirectly all the companies that make up the Company. Dassault Systèmes SE plays a centralizing role, defining the Company's overall strategy and the means for its deployment, as well as the marketing and sales policy and the three engagement models (described in paragraph 1.4.2.6 "How we engage with customers"). The parent company

generally manages cash for subsidiaries whose currency is the euro, and provides support to the Company for a number of activities, including finance, communication, marketing, legal affairs (including management and protection of IP), human resources and IT, and pools certain costs for its subsidiaries.

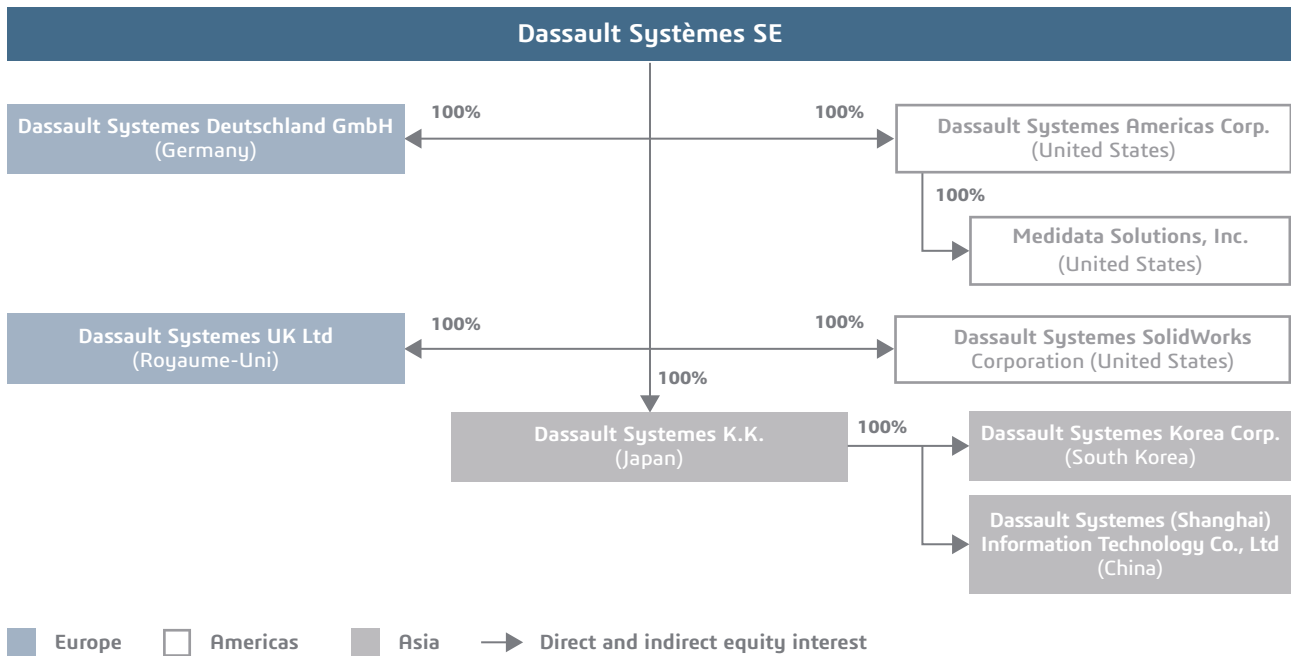
Dassault Systèmes SE receives royalties related to the IP it holds and separately charges centralized services to the subsidiaries benefiting from support services and cost pooling. It receives dividends paid by its subsidiaries.

## 1.6.2 Principal Subsidiaries of the Company

As at December 31, 2020, the Company included Dassault Systèmes SE and 98 operational subsidiaries, as compared to 100 operational subsidiaries as of December 31, 2019. The

decrease was due principally to the effort of the Company to simplify the organization of its legal entities throughout the world, partly offset by the entities acquired in 2020.

The chart below sets forth Dassault Systèmes' main subsidiaries:



See also Note 27 to the consolidated financial statements and the table of subsidiaries and shareholdings under Note 24 to the parent company financial statements.

## 1.7 Financial Summary: five-year historical information

### Sustaining Growth over the Long-term

Dassault Systèmes' performance historically relies on a financial model with a strong focus on recurring software revenue, which represented over 77.7% of the total software revenue during 2021.

### Five-year Financial Summary

We have provided below summary income statement and balance sheet information for the last five years. The selected financial data in the table below have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union, unless otherwise indicated.

A financial review including a comparison of 2020 and 2021 can be found in Chapter 3, "Financial Review and Prospects".

### Income statements and dividends

<i>(in millions of euros, except percentages and per share data)</i>	Year ended December 31,				
	2021	2020	2019 <sup>(1)</sup>	2018 <sup>(1)(2)</sup>	2017 <sup>(1)(2)</sup>
Total revenue	€4,860.1	€4,452.2	€4,018.2	€3,477.4	€3,228.0
Software revenue	4,402.6	4,012.6	3,539.4	3,081.8	2,869.3
Operating income	1,019.4	669.7	812.8	768.2	729.0
<i>As a percentage of total revenue</i>	21.0%	15.0%	20.2%	22.1%	22.6%
Net income attributable to equity holders of the Company	773.7	491.0	615.3	569.4	519.4
Diluted net income per share <sup>(3)</sup>	€0.58	€0.37	€0.47	€0.44	€0.40
Dividend per share <sup>(3)</sup>	€0.17 <sup>(4)</sup>	€0.11	€0.14	€0.13	€0.12
Dividend per share growth	54.5%	(20.0)%	7.7%	12.1%	9.4%

(1) The Group adopted IFRS 16 for the fiscal year beginning January 1, 2019 using the simplified retrospective approach. Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, January 1, 2019, without any adjustment to the prior year comparative information.

(2) The Group adopted IFRS 15 effective January 1, 2018 using the modified retrospective transition method (also called the cumulative effect method). Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, i.e. January 1, 2018, without any adjustment to the prior year comparative information.

(3) Figures before 2021 have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see the Note 22 Shareholders' Equity to the consolidated financial statements).

(4) To be proposed for approval at the General Meeting of Shareholders scheduled for May 19, 2022.

## Supplemental non-IFRS financial information

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. The various definitions and methods of which can be found in Note 2 Summary of Significant Accounting

Policies of the consolidated accounts. 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. Non-IFRS financial information definitions can be found in 3.1.2.3 "Non-IFRS financial information definitions". The reconciliation between this financial information and the IFRS framework can be found in 3.1.4 "IFRS Non-IFRS Reconciliation".

<i>(in millions of euros, except percentages and per share data)</i>	Year ended December 31,				
	2021	2020	2019 <sup>(1)</sup>	2018 <sup>(1)(2)</sup>	2017 <sup>(1)(2)</sup>
Total revenue	€4,861.7	€4,464.8	€4,055.6	€3,491.1	€3,242.0
Software revenue	4,404.0	4,024.0	3,573.6	3,093.9	2,883.2
Operating income	1,666.2	1,349.8	1,297.4	1,112.5	1,037.1
<i>As a percentage of total revenue</i>	34.3%	30.2%	32.0%	31.9%	32.0%
Net income attributable to equity holders of the Company	1,265.3	994.7	959.6	812.5	692.9
Diluted net income per share <sup>(3)</sup>	€0.95	€0.75	€0.73	€0.62	€0.54

- (1) The Group adopted IFRS 16 for the fiscal year beginning January 1, 2019 using the simplified retrospective approach. Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, January 1, 2019, without any adjustment to the prior year comparative information.
- (2) The Group adopted IFRS 15 effective January 1, 2018 using the modified retrospective transition method, without any adjustment to the prior year comparative information.
- (3) Figures before 2021 have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see the Note 22 Shareholders' Equity to the consolidated financial statements).

## Balance sheets and net cash provided by operating activities

<i>(in millions of euros)</i>	Year ended December 31,				
	2021	2020	2019 <sup>(1)</sup>	2018 <sup>(1)(2)</sup>	2017 <sup>(1)(2)</sup>
<b>ASSETS</b>					
Cash, cash equivalents and short-term investments	€2,979.5	€2,148.9	€1,945.6	€2,809.9	€2,460.7
Trade accounts receivable, net	1,366.3	1,229.1	1,319.2	1,044.1	895.9
Goodwill and intangible assets, net	8,174.9	7,937.3	8,917.0	3,262.3	2,990.1
Other assets	1,698.0	1,648.9	1,690.8	857.7	683.1
<b>TOTAL ASSETS</b>	<b>14,218.7</b>	<b>12,964.2</b>	<b>13,872.6</b>	<b>7,974.0</b>	<b>7,029.8</b>
<b>LIABILITIES AND EQUITY</b>					
Contract liabilities	1,304.4	1,169.1	1,093.5	907.5	876.4
Borrowings	3,869.7	4,190.4	4,601.2	1,000.0	1,000.0
Other liabilities	2,847.3	2,543.4	2,969.2	1,504.6	1,159.2
Parent shareholders' equity	6,197.3	5,061.3	5,208.7	4,561.9	3,994.2
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>€14,218.7</b>	<b>€12,964.2</b>	<b>€13,872.6</b>	<b>€7,974.0</b>	<b>€7,029.8</b>

- (1) The Group adopted IFRS 16 for the fiscal year beginning January 1, 2019 using the simplified retrospective approach. Under this method, the transition effect is accounted for within the consolidated equity at the date of initial application, January 1, 2019, without any adjustment to the prior year comparative information.
- (2) The Group adopted IFRS 15 effective January 1, 2018 using the modified retrospective transition method, without any adjustment to the prior year comparative information.

<i>(in millions of euros)</i>	Year ended December 31,				
	2021	2020	2019	2018	2017
Net cash provided by operating activities	€1 613.1	€1,241.3	€1,186.1	€898.6	€745.0

## 1.8 Environmental, Social, and Governance Performance

Reflecting our purpose, Dassault Systèmes' *Sustainability Compass* summarizes our sustainability strategy for 2025, detailed in Chapter 2 "Social, Societal and Environmental Responsibility". Our commitments, which are subject to

quantitative objectives, embed three dimensions: Experience the change (Sustainable Operations), Harmonize the portfolio (Sustainable Solutions) and Collaborate with stakeholders (Sustainable Collaborations).

### Key indicators

	2021		2020	2019 <sup>(1)</sup>	2025/2027 Objective <sup>(1)</sup>
	Workforce in-scope <sup>(2)</sup>	Values			
<b>Environmental</b>					
Carbon intensity - in tCO <sub>2</sub> -eq/full-time equivalent <sup>(3)</sup>	95%	2.8	4.1	6.7	5
Scope 1 & 2 GHG emissions <sup>(4)</sup>	86%	14,164	19,960	22,979	(34%) <sup>(5)</sup>
Scope 3 GHG emissions <sup>(6)</sup>	98%	12,841	30,313	61,609	(23%) <sup>(5)</sup>
% of suppliers w/science-based targets set <sup>(7)</sup>	-	23%	16%	-	52%
% of new licenses revenue from Sustainable Solutions <sup>(8)</sup>	-	72%	-	-	67%
<b>EU Taxonomy</b>					
Eligible Revenue	-	50%	-	-	-
Eligible Operating Expenses	-	33% <sup>(9)</sup>	-	-	-
Eligible Capital Expenditures	-	55%	-	-	-
<b>Social</b>					
Women in the Executive team	100%	38.5%	38.5%	22.2%	40%
Women among People Managers	100%	21.2%	20.7%	18.8%	30%
Employee pride and satisfaction <sup>(10)</sup>	96.7%	79.8%	82.5%	78%	85%
Permanent employees	100%	99%	99.1%	98.9%	-
<b>Governance</b>					
Women on Board of Directors <sup>(11)</sup>	100%	50%	50%	50%	-
Employees trained on ethics and compliance <sup>(12)</sup>	83.7%	98.6%	98.2%	96.9%	95%

(1) The carbon emission figures mentioned for 2019 as well as for 2025 or 2027 objectives do not include Medidata. In 2022, Dassault Systèmes will include Medidata in both 2019 baseline and objectives.

(2) The scope refers to total headcount excluding companies or countries as detailed in paragraph 2.8 "Reporting Methodology".

(3) Carbon intensity includes Scopes 1, 2 and 3 greenhouse gas emissions excluding emissions related to the use of our solutions by our customers as well as emissions related to purchased goods and services, in relation to the average headcount in scope. The objective of the carbon intensity is with a horizon 2025 and corresponds to a decrease of 38% of the Group's Carbon intensity compared to 2018. Although they are part of the same pathway, the SBTi objectives cover a more exhaustive scope.

(4) Scope 1 emissions are direct emissions from operations (e.g. car fleets) and Scope 2 emissions are from energy purchasing primarily.

(5) In accordance with the Science-Based Targets initiative, this objective was set with a horizon of 2027, using the year 2019 as a reference. This objective was set excluding Medidata, acquired in October 2019.

(6) Scope 3 emissions are from business travel and employee commuting, including "well to tank" emissions for 2021, but excluding emissions related to the use of our solutions by our customers as well as emissions related to purchased goods and services and capital goods.

(7) As approved by the Science-Based Targets initiative, this is the percentage of suppliers (by emissions weight) covering purchased goods & services and capital goods, themselves committed to the Science-Based Targets initiative.

(8) Sustainable Solutions are defined as solutions having a positive impact on the Sustainable Development Goals as defined by the United Nations. This indicator represents the percentage of eligible revenue from new licenses generated on the EU Taxonomy scope, targeting exclusively the environmental impact, to which is added the revenue generated by the Life Sciences activities contributing to the Good Health and Well-being objective, and by the activities contributing to the Quality Education objective, as defined by the United Nations. The EU Taxonomy methodology currently excludes several sectors such as aeronautics, consumer products, energy and raw materials, as detailed in paragraph 2.8.3 «EU Taxonomy Indicators Methodology», even though the solutions developed by Dassault Systèmes also have an environmental contribution in these sectors. However, this indicator does not currently take this contribution into account. The new licenses revenue is calculated as the total revenue from new licenses, plus the incremental revenue of licenses sold in the form of subscriptions, see paragraph 3.1.2.2 «Composition of the main items in the income statement», of the year (non-IFRS data).

(9) The percentage of eligible operating expenses currently excludes from numerator and denominator the nature of expenses that are considered out of scope by the EU Taxonomy regulation, as detailed in the paragraph 2.7.2 "EU Taxonomy Indicators".

(10) Percentage measured by an annual satisfaction survey.

(11) Excluding Directors representing employees, not accounted in accordance with the law and the AFEP-MEDEF Code.

(12) Average percentage of permanent employees who completed mandatory training on Business Ethics, Personal Data Protection and Anti-Corruption.

In 2021, Dassault Systèmes joined the Science-Based Targets initiative, being aligned with a 1.5-degree pathway (Scopes 1 and 2) and with current best practice (Scope 3). The carbon intensity decreased by 31%, to 2.8 tCO<sub>2</sub>-eq per full-time equivalent, compared to 2020.

This decrease is not only due to Dassault Systèmes' capacity to adapt with agility to the pandemic, leading to the temporary closing of our sites and the limitation of our business travels. The low level of emissions registered in 2020 and 2021 are not reproducible to the extent that business travel will start again and all sites are expected to be re-opened in 2022. Nonetheless this decrease is also the result of permanent reduction measures and the first effects of new policies such as the introduction of new ways of working related to a flexible working policy, the purchase of additional low-carbon electricity certificates representing a 0.32 tCO<sub>2</sub>-eq per full-time equivalent savings, and a new travel policy putting sustainability in the heart of its needs. The Purchasing policy has also been modified to ensure that our suppliers understand the challenges of emission reductions related to the supply chain. This is acknowledged by the increase from 16% to 23% of our suppliers (in emission weight) having validated their SBTi objectives.

Our Company's purpose provides employees with meaning to their professional life, contributing to their pride and satisfaction in working for Dassault Systèmes, which is also testified in the high level of employees subscribing to the shareholding program. As part of our objectives, diversity and creation of inclusive teams are essential to achieve harmony around innovative projects, to encourage creativity and to provide a fulfilling collective environment. This commitment

is reflected in the composition of the Company's governance, from Board of Directors to women among People Managers. In 2021, we continued to improve our overall score as part of the *Palmarès de la féminisation des instances dirigeantes des entreprises du SBF 120* (Ranking of women representation in governance bodies of SBF 120 companies). We also achieved to attract a higher level of women as part of new joiners, leading to 6.6% increase in the number of women in Dassault Systèmes compared to 3.6% growth of our overall workforce.

As stated in our Code of Business Conduct, compliance with ethical rules and international standards is an integral part of our purpose. Therefore, Dassault Systèmes is committed to provide each employee with a remuneration to achieve a decent standard of living, as set out in the Universal Declaration of Human Rights of the United Nations. Dassault Systèmes is also committed to develop employability through permanent contracts and local recruitment, thus contributing to economic development of each country in which we operate. Ethics and compliance trainings are mandatory to our employees and their completion were further strengthened in 2021. To prevent discrimination and harassment, a specific training was deployed in 18 priority countries, the number of which will be expanded in 2022.

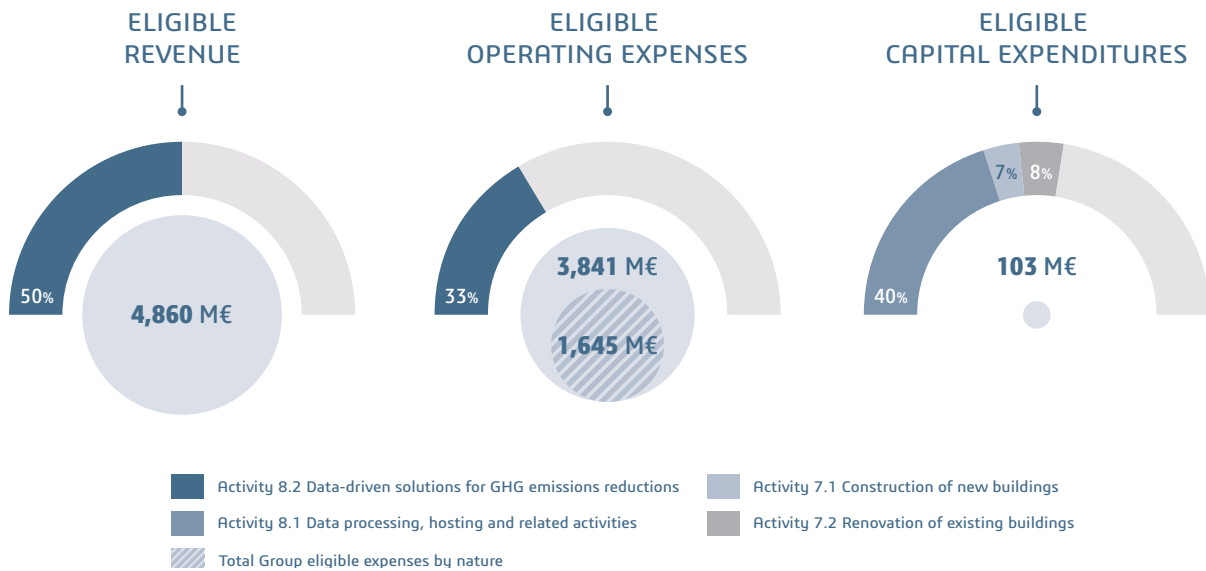
As a strategic player in the Industry Renaissance, Dassault Systèmes strives to transform the world of education and to prepare the workforce of the future. In addition, in the age of digital economy, and in a context of ever stiffer regulations, personal data protection as well as cybersecurity is a major issue for our clients and partners.



## ► EU Taxonomy Indicators

The EU Taxonomy regulation of sustainable activities has been voted by the European Parliament 2020 and Dassault Systèmes falls under this new regulation as being registered and having its headquarters in the European Union. For its first year of application, only the first two objectives concerning specifically climate change – mitigation and adaptation – must be subject to the publication of financial disclosure in the

form of three indicators: the proportion of revenue, of capital expenditures and of operating expenses associated with eligible economic activities as defined by the EU Taxonomy, covering the financial year 2021 with no comparative data for 2020. These indicators (IFRS data) covering financial year 2021 are shown in the graph below.



A full review of the Company's EU Taxonomy and ESG performance indicators can be found in paragraph 2.7 "Environmental, Social and Governance Metrics".

## Main ratings and awards

Dassault Systèmes is recognized for its Environmental, Social and Governance commitment and has received in 2021 the following main ratings and rankings:

ESG rating agency	2021 Score/ ranking	Relative performance
Forbes' Best Employer		out of 750 companies
DJSI	5 <sup>th</sup>	97 <sup>th</sup> percentile in the global software sector
CDP	A-	2021 Supplier Engagement Rating
Corporate Knights	A-	ranked 9 <sup>th</sup> in the Top 100 Most Sustainable Companies in the World, and included to the Carbon Clean 200

Dassault Systèmes' commitment to sustainability, related actions and achievements as well as key metrics, and how they fit into the Company's strategy, are detailed in Chapter 2. "Social, Societal and Environmental Responsibility".



## 1.9 Risk Factors

The risk factors are set out hereafter in two main categories: risks related to Dassault Systèmes' business (1.9.1) and financial and market risks (1.9.2). These are the main risks identified as being material, specific to the Company and likely to have a negative impact on its business and financial position as of the date on which this Universal registration document was filed with the AMF.

The presentation of the risks is the result of regular analysis as part of the risk management policy contained in paragraph

5.2.3 "Internal Control and Risk Management Procedures." In each category, the risk factors are classified in descending order of importance taking into account the probability of seeing them materialize and the estimated scale of their negative impact, and after taking into account the alleviation measures put in place by Dassault Systèmes. However, other risks not mentioned or not yet identified can affect Dassault Systèmes, its financial position, its reputation, its outlook or the share price of Dassault Systèmes.

### 1.9.1 Risks Related to the Business

Once alleviation measures taken into consideration, Dassault Systèmes considers risks 1 to 8 to be of great importance, risks 9 to 13 of medium importance and risks 14 to 15 of low importance.

#### 1.9.1.1 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 political, economic and monetary situation in certain geographic regions where Dassault Systèmes operates could become more volatile and impact Dassault Systèmes' business, for example, due to stricter export compliance rules or the introduction of new customs tariffs;
- continued pressure or volatility on raw materials and energy prices could also slow down Dassault Systèmes' diversification efforts in new industries;
- current inflation forecasts, as well as uncertainties regarding the extent and duration of this trend, could adversely affect the financial condition of Dassault Systèmes; and

- the sales cycle of the Dassault Systèmes' products – already relatively long due to the strategic nature of such investments for customers – could further lengthen.

The occurrence of crises – health and political crises in particular – could have consequences for the health and safety of Dassault Systèmes' employees. It could also adversely impact the financial situation or financing capabilities of Dassault Systèmes' existing and potential customers, commercial and technology partners, some of whom may be forced to temporarily close sites or cease operations. A deteriorating economic environment could generate increased price pressure and affect the collection of receivables, which would negatively impact Dassault Systèmes' revenue, financial performance and market position.

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 Company's business results.

#### 1.9.1.2 Security of Systems and Facilities

As Dassault Systèmes' Research and Development is totally computer-based, its effectiveness is dependent on the proper functioning of complex software and integrated hardware systems. It is not possible to guarantee the uninterrupted operation and complete security of these systems. Computer viruses, whether deliberately or unintentionally introduced, could cause damage, loss or delays. Moreover, in a context of increased cyber-attacks and the emergence of cyber-terrorism, Dassault Systèmes may be subject to computer attacks or intrusions that could interfere with the proper functioning of its systems and cause substantial delays or damage to its activities, not to mention data disclosures. Such attacks or intrusions, potentially targeted, could also cause damage to, losses or disclosures of customer data, hosted by Dassault Systèmes or some of its service providers as part of its cloud offerings, or interruptions to the online service, for which

it may be held liable. The increasing use of mobile devices (cellular telephones, tablets and laptops) linked to certain of Dassault Systèmes information systems tends to increase the risk of unauthorized access.

Likewise, some transactions require the use of off-the-shelves interconnection systems, for example with most of the banking partners of Dassault Systèmes. Dassault Systèmes requires from these services and partners a high level of security and control so as to protect the messages' integrity and prevent attacks and intrusions in Dassault Systèmes' systems. However, these controls do not eliminate all risks of indirect impact from cyber-attacks affecting our partners.

In addition, because Dassault Systèmes' key facilities are located in a limited number of sites, including Japan and California, which may be exposed to earthquakes, substantial physical damage to any one of Dassault Systèmes' sites, by natural causes or by terrorist attacks or local violence, could materially reduce its ability to continue its normal business operations.

### 1.9.1.3 Complex Regulatory and Compliance Environment

Dassault Systèmes operates in a legal environment with multiple, sometimes contradictory, regulations that are constantly changing and becoming more complex as the Group expands into various countries and business lines and towards new customers and users (in particular individuals). These regulations apply to many different fields, such as general business practices, competitive practices, anti-corruption, processing of personal data, including health data, consumer protection, financial reporting standards, securities law and corporate governance, internal controls, employment laws and human rights protection, local and international tax regulations and export compliance for high-tech products. Besides, the introduction of newly created or stricter regulations in countries where Dassault Systèmes operates or will operate could materially increase compliance costs. Enforcement of digital economy or climate change-specific taxes could also negatively impact the net result of Dassault Systèmes.

In order to conduct its business in a wholly ethical manner, the Company requires all of its employees, subsidiaries, resellers and intermediaries to comply with all applicable laws and regulations. Dassault Systèmes broadly relies on a large number of distributors and resellers to support the licensing of its software products and the deployment of its solutions (as described in paragraph 1.9.1.8 "Relationships with Extended Enterprise Partners"). Although Dassault Systèmes has implemented a program to ensure that these third parties fully comply with all applicable rules and regulations, especially the highest ethical standards, export control regulations or competition law, Dassault Systèmes' business and reputation could be negatively impacted in the event such third parties were to breach local or international laws.

The failure or suspected failure to comply with these regulations may result in inquiries or investigations by the relevant authorities, or even fines and sanctions, as well as an increase in Dassault Systèmes' litigation risk or negative impact on its business operations, revenue or reputation. A number of these adverse consequences could occur even if it is ultimately determined that there has been no failure to comply.

### 1.9.1.4 Deployment Delays, Errors and Defects

Deploying sophisticated software solutions becomes increasingly complex. Such projects need to take into account Dassault Systèmes' customer's infrastructure and diverse software environment, for which these projects are often critical. Appropriate project and change management controls are also critical to the success of deploying complex software solutions that affect a large number of users across multiple organizations and processes. If Dassault Systèmes is not able to carefully plan and execute these projects in a timely manner, it might need to commit additional resources, which could adversely impact its operating income.

Sophisticated software can contain errors, defects, vulnerabilities or other performance problems when first introduced or when updates or new versions are released. Dassault Systèmes may not be able to correct such errors or defects in a timely manner and may need to expend additional resources.

Similarly, the growing adoption of cloud-based software solutions by our customers, particularly in areas or processes critical to their operations, could result in customer complaints related to the performance and availability of online services or data loss, which may be caused by interruptions or attacks on the infrastructure providers used to host these online services.

Such difficulties may also lead to the loss of customers, or even in the case of the largest customers the potentially significant loss of revenue with their subcontractors. Technical problems, or the loss of a customer with a particularly important global reputation, could also damage Dassault Systèmes own business reputation and cause the loss of new business opportunities. Were customers to suffer financial or other damage because of product errors, delays or defects in the software solutions provided, including online, such customers could pursue claims against the Company. Any resulting claim brought against Dassault Systèmes, even if not successful, would likely be time-consuming for its management and costly to defend and could adversely affect Dassault Systèmes' marketing efforts and reputation.

### 1.9.1.5 Protection of Dassault Systèmes' Intellectual Property Rights and Assets

Dassault Systèmes' success is heavily dependent upon its proprietary software technology. Dassault Systèmes relies on a combination of copyright, patent, trademark, trade secret law and contractual restrictions to protect its technology. These legal protections may not provide a full coverage of the Company's products and can be breached by third parties. In addition, some countries do not have effective protection against infringements of copyright, trademarks, trade secrets or patents, or they may be limited in comparison to what exists in Western Europe or the United States. If, despite Dassault Systèmes' strategies for protecting its IP, certain third parties are able to develop similar technology, or to successfully challenge the Company's IP rights, a reduction in the Company's software revenue may ensue. Furthermore, although Dassault Systèmes enters into confidentiality agreements with its employees, distributors, customers and potential customers and limits access to and carefully controls the distribution of its software, documentation and other proprietary information, the measures taken may be inappropriate to deter misuse of its technology, the unauthorized disclosure of confidential information, or prevent its utilization by third parties.

In addition, like most of its competitors, Dassault Systèmes faces a significant level of piracy of its leading products, both by individuals and companies operating worldwide, which could potentially affect Dassault Systèmes' growth in specific markets.

Litigation may be necessary to enforce Dassault Systèmes' IP rights and determine the validity and scope of the proprietary rights of third parties. Any litigation could entail substantial costs and the mobilization of Company resources and could significantly weigh on Dassault Systèmes' operating income. Dassault Systèmes may not prevail in all such litigation and its IP rights may be found invalid or unenforceable.

### 1.9.1.6 Ability to Attract and Retain Talent

Dassault Systèmes' success mainly depends on its ability to attract, motivate and retain employees with a high level of skills and the diverse talent required for the Group's various activities.

Competition for such employees is high, and if Dassault Systèmes loses the ability to hire and retain key employees and executives, in particular those at its newly-acquired companies, or to continuously adapt their skills to operational needs, the Group's activities, revenue and operating income could be negatively impacted.

The Company does not maintain insurance with respect to the loss of key personnel.

### 1.9.1.7 Organizational and Operational Challenges Arising from the Evolution of Dassault Systèmes

Dassault Systèmes has continued to expand through acquisitions and internal development and has substantially increased its addressable market through launching 3DEXPERIENCE.

The Company's management policies and internal systems must be adapted on an on-going basis to meet the needs of a larger, more complex structure and implement Dassault Systèmes' strategy to reach a broader market. Dassault Systèmes must continue to reorganize itself to maintain efficiency and operational excellence while ensuring customer retention and the integration of newly acquired companies. It must also continue to focus on quality of execution while maintaining innovation.

Dassault Systèmes must also ensure that the profile and skill sets of its employees are continually updated to reflect the Company's development and retain employees, notably from newly acquired companies.

If Dassault Systèmes does not address these issues effectively and on a timely basis, Dassault Systèmes product development, cost management and commercial operations could be impacted or fail to adequately satisfy market or customer demands, which could negatively impact its financial or operational performance.

Moreover, integration of acquisitions remains a challenge, in particular for Medidata Solutions, Inc., due to its specific activity and size. Newly acquired companies may also carry risks (such as litigation or events related to pre-acquisition practices potentially unknown at the date of acquisition and sometimes identified post-acquisition, e.g. tax, ethics and compliance or intellectual property claims).

Acquired companies, including of non-controlling interests, may also require the Group to recognize amortization expenses on acquired intangible assets and/or impairments of goodwill in case of an impairment loss (see Note 2 to the consolidated financial statements). When making new acquisitions or investments, Dassault Systèmes may need to allocate significant financial resources, make potentially dilutive issuances of equity securities or incur debt.

### 1.9.1.8 Relationships with Extended Enterprise Partners

Dassault Systèmes' 3DEXPERIENCE strategy requires a fully integrated platform with access to computer-aided design ("CAD"), simulation, collaboration, manufacturing and data management products, which are increasingly complex and for which customer installations represent significant enterprise projects. Dassault Systèmes has continued to develop an extended enterprise model and implement its 3DEXPERIENCE model in partnership with other companies in areas such as:

- computer hardware and technology, to maximize benefits from available technology;
- product development, to enable software developers to create and market their own software applications using Dassault Systèmes' open product architecture; and
- consulting and professional services, to support and assist customers as needed to deploy Industry Solution Experiences on the 3DEXPERIENCE platform.

Dassault Systèmes believes that its partnering strategy allows it to benefit from complementary resources and skills and to reduce costs while achieving broader market coverage, especially in diversification industries or emerging markets. Dassault Systèmes' broad partnering strategy nevertheless creates a degree of dependency on such partners.

In addition to its own sales force, Dassault Systèmes also relies on an international network of distributors and value-added resellers. The type of relationship that the Company has with its distributors and value-added resellers, as well as their financial and technical reliability and their ability to invest, especially in diversification industries, could impact Dassault Systèmes' ability to sell and deploy its product and service offerings.

Lastly, Dassault Systèmes' ability to establish partner relationships for the development, distribution and deployment of its 3DEXPERIENCE platform is an important element of its strategy.

Serious difficulties in Dassault Systèmes' relationships with its partners, or an unfavorable change of control of these partners, may adversely affect Dassault Systèmes' product and business development and could cause it to lose the contribution of the employees or contractors of Dassault Systèmes' partners, particularly in the area of R&D. In addition, any failure by Dassault Systèmes' partners to deliver products of quality or according to the expected timing may cause delays in the delivery of, or deficiencies in, Dassault Systèmes' own products.

Due to the rapid evolution of the software development and distribution sectors, it is difficult to ensure the long-term success of the Company's relationship with any particular partner.

### 1.9.1.9 Business Model Transformation and Competition

In the past few years, there have been fewer competitors in Dassault Systèmes' historical software markets. As the various players compete for market share, adoption by competitors of business models different from Dassault Systèmes', in particular through the exclusive promotion of cloud solutions, could lead to substantial declines in pricing, which could require Dassault Systèmes to adapt to a substantially different commercial environment. These competitive pressures on pricing and the nature of the offer could lead to competitors winning contracts, negatively impacting Dassault Systèmes' revenue, financial performance and market position.

At the same time, by regularly expanding its product portfolio, entering new geographic markets, diversifying its customer base in new sectors of activity and developing new applications for its products, Dassault Systèmes encounters new competitors. Because of their size or prior presence in these markets, such competitors could have financial, human or technological resources not readily available to Dassault Systèmes.

The development of cloud offers may also lead to new participants entering the market. Dassault Systèmes' ability to expand its competitive position may thus be impaired. Indeed, Dassault Systèmes is developing and distributing a cloud offering (Software as a Service – SaaS). It continues to grow and promote its portfolio of software solutions and processes available on the cloud. The introduction of such solutions with the appropriate pricing model and with the right level of quality, especially in the face of increasing customer demands for scale, security, availability and performance of these online services, could affect the Company's growth and future results.

The progressive roll-out of these services and their distribution also requires the deployment of new sales, support and management processes and expertise in those areas, in particular to support changes of subscription methods for some customers.

In the event the Company has difficulties setting up the organization needed to manage its businesses and the new competitive context, its revenue, financial performance, competitive position and reputation could be negatively impacted.

### 1.9.1.10 Legal Proceedings – Reputation Risks

Dassault Systèmes' risk of inquiries, litigation and administrative proceedings increases as it expands into new activity areas (including product distribution and online services), economic sectors (in particular in the healthcare and infrastructure businesses) or geographic regions, and as it grows and enhances its position and visibility on the market. These can be lengthy, expensive, disrupt the management of the Company's operations and can damage its reputation, including in cases of actions that have no legal basis.

In particular, stakeholders' expectations in the ESG (Environment, Social and Governance) fields are growing and may exceed the legal and regulatory requirements in force (for example, in the fight against climate change and the protection of human rights). Despite its commitment, which is reflected in ambitious action plans that may go beyond the obligations in this area, the Company could be the target, directly or through its ecosystem, of legal or media actions initiated, for example, by organizations that have developed their own benchmark of ESG best practices.

The outcome of legal or administrative investigations and proceedings is uncertain and may differ from management expectations, which could result in an adverse impact on its financial position and operating income, or even the conduct of its operations and reputation.

These negative effects could appear even in the event of compliance with regulations or benchmarks, particularly in terms of ESG.

#### **1.9.1.11 Variability in Dassault Systèmes' Quarterly Operating Income**

Dassault Systèmes' quarterly operating income may vary significantly in the future, depending on factors such as:

- the timing, the cyclical nature of revenue received due to the signing of important new customer orders, the completion of service contracts and customer deployments;
- the timing of any significant acquisition or divestiture;
- fluctuations in foreign currency exchange rates;
- Dassault Systèmes' ability to develop, introduce and market new and enhanced versions of its products and customer order deferrals in anticipation of these new or enhanced products;
- the number, timing and significance of product enhancements or new products that Dassault Systèmes develops or that are released by its competitors;
- general conditions in Dassault Systèmes' software markets (as a whole or on a regional basis) and the software industry generally; and
- the growing difficulty in planning and forecasting as new business models are introduced alongside the traditional licensing model of the industry.

A substantial portion of Dassault Systèmes' orders and shipments typically occur in the last month of each quarter, and, therefore, if any delay occurs in the timing of significant orders, Dassault Systèmes may experience quarterly

fluctuations in its operating income. Additionally, as is typical in the software industry, Dassault Systèmes has historically experienced its highest licensing activity for the year during the last quarter of the year, in particular the last month. Delays in orders and shipments can also affect Dassault Systèmes' revenue and income.

The trading price of the Dassault Systèmes' shares may be subject to wide fluctuations in response to quarterly variations in Dassault Systèmes' operating income and the operating income of other software application developers in Dassault Systèmes' markets.

#### **1.9.1.12 Rapidly Changing and Complex Technologies**

Dassault Systèmes' software solutions are characterized by the use of rapidly changing technologies and through upgrades to existing products or frequent new product introductions. These solutions must address complex engineering needs in various areas of product design, simulation and manufacturing and must also meet sophisticated process requirements amongst others in the areas of change management, industrial collaboration and cross-enterprise work.

As a result, Dassault Systèmes' success is highly dependent upon its ability to:

- understand its customers' complex needs in different business sectors;
- support customers with their efforts to improve key product lifecycle processes;
- enhance its existing solutions by developing more advanced technologies;
- anticipate and take timely advantage of quickly evolving technologies and standards; and
- introduce new solutions in a cost-competitive and timely manner.

Dassault Systèmes also continues to face the challenge of the increasingly complex integration of its products' different functionalities to address customers' requirements. As a result, more difficult industrialization work is required for new releases and offerings, with technical limitations, for example in managing data migration or the options for interfacing with third-party systems used by customers. In addition, if Dassault Systèmes is not successful in anticipating technological leaps and developing new solutions and services that address its customers' increasingly sophisticated expectations, demand for its products could decline and Dassault Systèmes' operating income and financial condition could be negatively affected.

**1.9.1.13 Technology Stock Volatility**

Under conditions of increased market uncertainty, the trading price of Dassault Systèmes SE shares could be volatile. The market for shares of technology companies has in the past been more volatile than the stock market overall.

**1.9.1.14 Infringement of Intellectual Property Rights and of Third-Party Technology Licenses**

Third parties, including Dassault Systèmes' competitors, may own or obtain copyrights, patents or other proprietary rights that could restrict Dassault Systèmes' ability to further develop, use or sell its own product portfolio, potentially inherited from acquisitions. Dassault Systèmes has received, and may in the future receive, letters of complaint alleging that its products infringe the patents and other IP rights of others. Such claims could cause Dassault Systèmes to incur substantial costs to defend itself in any litigation that may be brought, regardless of its merits. If Dassault Systèmes fails to prevail in IP litigation, it may be required to:

- obtain and pay for licenses from the holder of the infringed IP right, which might not be available on acceptable terms for Dassault Systèmes, if at all; or
- redesign its products or services, which could involve substantial costs and require Dassault Systèmes to interrupt product licensing and product releases. This may not be feasible at all and may require ongoing development to be put on hold.

In addition, Dassault Systèmes embeds in its products third-party components selected either by Dassault Systèmes itself or by companies it has acquired. Although Dassault Systèmes has implemented strict approval processes to certify the originality of third-party components and verify any corresponding licensing terms, the same approval processes may not have been adopted by companies acquired by Dassault Systèmes before their acquisition. As a result, the use of third-party embedded components in Dassault Systèmes' products generates exposure to the risk that a third party will claim that these components infringe their IP rights. There is also a risk that such license(s) might expire or terminate without renewal, thereby affecting certain Dassault Systèmes products.

If any of the above situations were to occur for a significant product, it could have a material adverse impact on the Company's financial condition and operating income.

**1.9.1.15 Shareholder Base**

Groupe Industriel Marcel Dassault SAS ("GIMD"), the main Group shareholder, owned 40.18% of Dassault Systèmes SE's outstanding shares, representing 54.30% of the exercisable voting rights (53.69% of theoretical rights) as of December 31, 2021. As more fully described in paragraph 6.3 "Information about the shareholders," GIMD plays a decisive role with respect to matters submitted to shareholders, including the election and removal of directors and the approval of any merger, consolidation or sale of all or a portion of the Group's assets.

**1.9.2 Financial and Market Risks**

Dassault Systèmes overall risk management policy is based upon the prudent management of the Company's market risks, primarily foreign currency exchange risk and interest rate risk. Dassault Systèmes programs with respect to the management of these risks, including the use of hedging instruments, are discussed in Note 20 to the consolidated financial statements. Dassault Systèmes' exposure to these risks may change over time and there can be no assurance that the benefits of the Company's risk management policies will exceed the related

costs. Such changes could have a materially adverse impact on the Company's financial results.

Dassault Systèmes generates positive cash flows from operations and has financial obligations (e.g., bonds, bank loans, loan facilities, employee profit-sharing).

After the mitigation measures implemented, the Group considers risk 1 to be of high importance, risk 2 of medium importance and risks 3 to 5 of low importance (all five risks discussed below herein).

### 1.9.2.1 Liquidity Risk

Dassault Systèmes' liquidity risk corresponds to the risk of not being able to meet its monetary needs thanks to its financial resources. It depends in particular on the level of Dassault Systèmes exposure to changes in the main market parameters, which could lead to higher credit costs, or even temporary limitation of access to external sources of financing.

Dassault Systèmes manages this risk by anticipating its liquidity needs and ensures its coverage with short and long-term financial resources.

On May 31, 2021, Standard & Poors Global Ratings confirmed their rating of "A-" with a stable outlook for Dassault Systèmes SE and its long term credit.

As of December 31, 2021, Dassault Systèmes' cash, cash equivalents and short-term investments totaled €2.98 billion. See Note 12 to the consolidated financial statements.

Dassault Systèmes has analyzed the amounts it will be required to pay under its contractual commitments as of December 31, 2021 and believes that it will be able to meet such obligations.

The following table summarizes Dassault Systèmes' principal contractual obligations to make future payments as of December 31, 2021:

### Contractual obligations

<i>(in millions of euros)</i>	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating lease obligations <sup>(1)</sup>	736.7	106.3	171.4	135.4	323.6
Loan facilities <sup>(2)</sup>	3,928.1	907.6	947.3	911.5	1161.7
Employee profit-sharing	72.9	72.9	-	-	-
<b>TOTAL</b>	<b>4,737.7</b>	<b>1,086.8</b>	<b>1,118.7</b>	<b>1,046.9</b>	<b>1,485.3</b>

(1) Including €655.6 million of undiscounted lease liabilities payments (see Note 18 to the consolidated financial statements) and €81.1 million of future lease commitments (see Note 24 to the consolidated financial statements).

(2) Including financial interest on bank financing of €100.0 million and \$150.0 million, interest on bond stocks as well as interest on the revolving line of €750.0 million (see Note 19 to the consolidated financial statements). The variable portion of future interest flows on borrowings is calculated on the basis of the Euribor 3-month and Libor USD 3-month spot rate as of December 31, 2021.

### 1.9.2.2 Foreign Currency Risk

Dassault Systèmes' operating income can be affected by changes and high volatility in exchange rates. In particular, exchange rate fluctuation of the Japanese yen, the U.S. dollar and to a lesser extent of the British pound, the South Korean won and the Chinese yuan relative to the euro, can affect revenue and expenses recorded in Dassault Systèmes' statement of income upon translation of other currencies into euro.

Dassault Systèmes bills its customers in major currencies, principally euros, U.S. dollars and Japanese yen. Dassault Systèmes also incurs expenses in different currencies, principally euros, U.S. dollars and Japanese yen, depending on Dassault Systèmes' employees and suppliers' location in different countries. Moreover, Dassault Systèmes engages in mergers and acquisitions, particularly outside the euro zone and may lend money in different currencies to its wholly- or partially-owned subsidiaries or affiliates.

Although Dassault Systèmes currently benefits from a natural coverage of most of its exposure to the U.S. dollar from an operating margin perspective, exchange rate fluctuation of the U.S. dollar relative to the euro may impact its' revenue and consequently its operating income, net income and earnings per share. In addition, Dassault Systèmes' revenues denominated in Japanese yen, Korean won and British pound substantially outweigh its expenditures in these currencies. As a result, any depreciation in the value of these currencies – in particular the Japanese yen, and to a lesser degree the British Pound and South Korean Won – relative to the euro, would affect the revenue, operating income and margin, net income and earnings per share.

Dassault Systèmes' net financial income can also be significantly affected by changes in exchange rates between the time the income is recognized and when payments are received and between the time an expense is recorded and when it is paid. Any such differences are accounted for in the "Foreign exchange gain/loss, net" caption of Dassault Systèmes' financial statements.

The main items of financial income subject to fluctuations linked to exchange rates are:

- the difference between the exchange rate used to record invoices in foreign currencies and the exchange rate when Dassault Systèmes receives or makes the payment; and
- the revaluation of monetary assets and liabilities denominated in foreign currencies.

Since market growth rates for Dassault Systèmes' software applications and the revenue growth rates of its significant competitors are computed in U.S. dollars, such growth rates from period to period may not be comparable to Dassault Systèmes' euro-computed revenue growth rates for the same periods.

See Note 20 to the consolidated financial statements.

### 1.9.2.3 Interest Rate Risk

Dassault Systèmes' interest rate risk would primarily translate into a reduction of its financial revenue. See Notes 19 and 20 to the consolidated financial statements.

## 1.9.3 Insurance

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Dassault Systèmes is insured by several insurance companies for all significant risks. Most of these risks are covered either by insurance policies underwritten in France for all Dassault Systèmes entities, or by a US policy that covers all the US subsidiaries and their own subsidiaries and branches around the world. In addition, the Company subscribes to specific coverage and/or local policies to comply with applicable local regulations or to meet the specific needs of certain activities or projects.

All of the Company's entities are protected by a policy covering professional and product liability as well as civil liability for operations for a total insured value of €150 million for 2021. This policy was renewed for three years in 2019.

Dassault Systèmes has also taken out other insurance policies covering, in particular, damage to the property of the Company's various sites, equipment and computer goods.

### 1.9.2.4 Credit or Counterparty Risk

The financial instruments which could expose Dassault Systèmes to credit risk include principally its cash equivalents, short-term investments and customer receivables. The hedging agreements entered into with financial institutions pursuant to its policy for managing currency and interest rate risks also expose the Company to credit and counterparty risk. See Notes 12, 13 and 20 to the consolidated financial statements. Dassault Systèmes uses a rigorous selection process for its counterparts according to credit quality, based on several criteria including agency ratings and depending on the maturity dates of the transactions.

### 1.9.2.5 Equity Risk

For cash management purposes, Dassault Systèmes does not directly invest in listed shares, or any material amounts in funds invested primarily in or indexed to stocks. The Company's financial results are therefore not significantly and directly linked to stock market variations.

Based on the legal requirements applicable in each country, the US companies and most of their subsidiaries have specific insurance cover. This insurance includes in particular coverage for property damage, and professional civil liability. In connection with this insurance, the Company also has coverage for work-related accidents in the United States and automobile accidents. As additional coverage for the various insurance policies covering US companies and their subsidiaries, Dassault Systèmes carries an "umbrella" policy for a maximum amount of \$25 million.

The insurance policies are regularly reviewed and may be modified to reflect changes in the revenue, the integration of newly acquired companies, activities and risks of the different companies within the Company.

Dassault Systèmes has not established captive insurance coverage.



# SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

# 2

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Dassault Systèmes' purpose is to provide business and people with **3DEXPERIENCE** universes to imagine sustainable innovations capable of harmonizing product, nature and life. The **3DEXPERIENCE** platform has become the catalyst of sustainable innovation through the capacity to leverage and impart knowledge and know-how for the benefit of the workforce and the planet via virtual worlds. Virtual worlds are spaces of representation and experimentation of the imaginary. They connect the imaginary, the useful and the sustainable. Thus, they allow citizens, patients, producers, consumers to consider value creation in a holistic approach of impact for the planet.

We strongly believe that virtual universes will be a key enabler for our customers and the world to imagine, design, and test the radically new products, materials, and manufacturing processes of tomorrow's sustainable economy at the fastest possible speed. Today, thanks to the **3DEXPERIENCE** platform, we can measure how virtual twins can be, in a concrete way, the instrument of a more circular economy. The report "*Designing Disruption: the critical role of Virtual Twins in accelerating Sustainability*", built in partnership with Accenture in 2021 to release a first of its kind study on how virtual twins can contribute to sustainable innovation and to

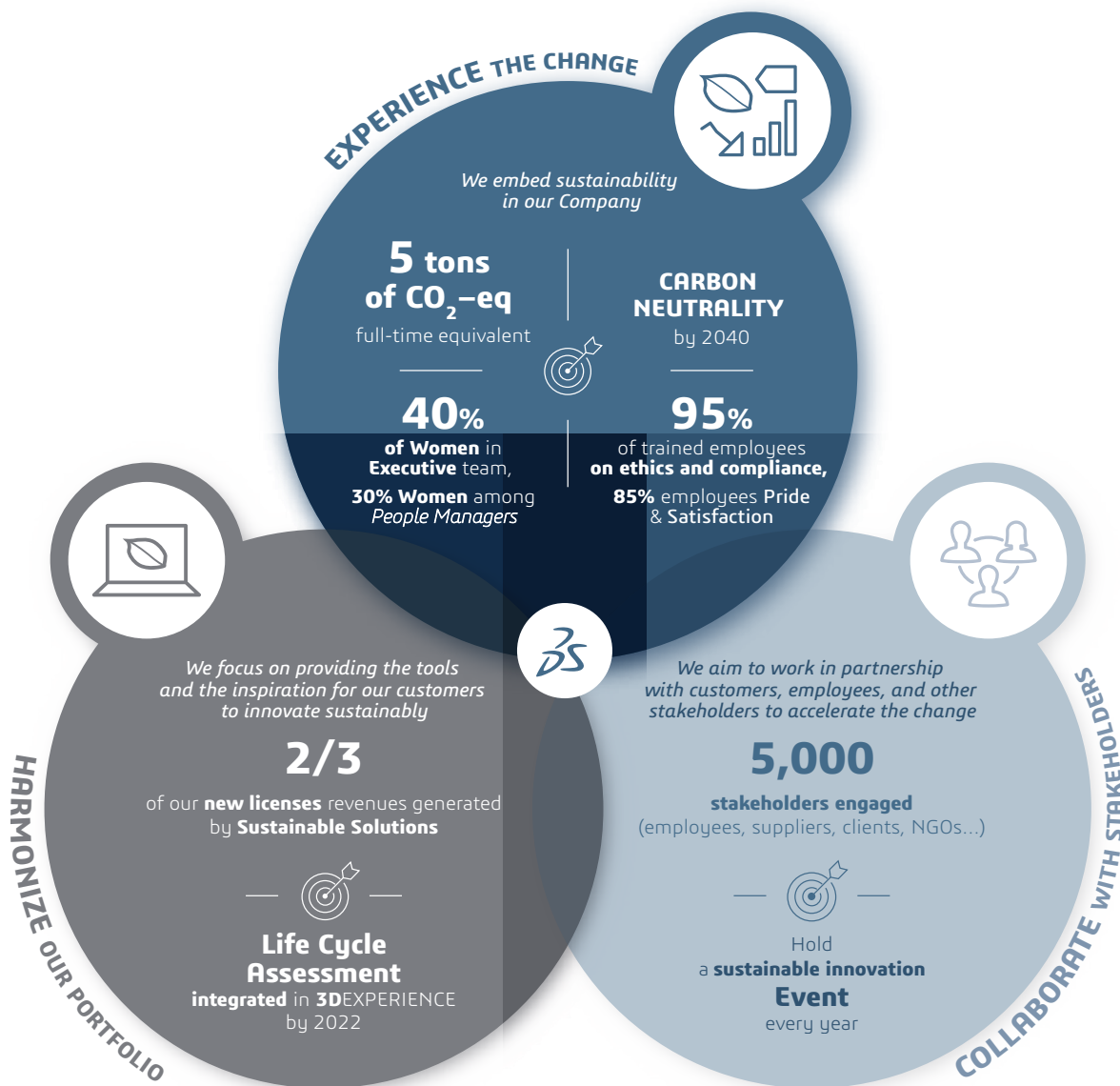
the mitigation of the climate change, highlighted a potential reduction of 7.5 GtCO<sub>2</sub>-eq of emissions by 2030 by increasing adoption of the technology across five use cases.

As sustainability issues are core to Dassault Systèmes' strategy, we formally stated our commitments in our *Sustainability Compass*, to guide us around three pillars:

- **EXPERIENCE** the change: we will "walk the talk" and embed sustainability in everything we do (Sustainable Operations);
- **HARMONIZE** the portfolio: we will not only provide the solutions, but also the inspiration for our customers to innovate sustainably (Sustainable Solutions);
- **COLLABORATE** with stakeholders: we will work in partnership with customers, employees, suppliers, and other stakeholders to promote sustainability (Sustainable Collaborations).

For each pillar of our strategy, we have defined measurable targets for 2025, and our performance to date is presented in detail in paragraphs 2.5.4 "Monitoring Progress: Climate Metrics and Targets" and 2.7 "Environmental, Social and Governance Metrics" of this document.

› Sustainability Compass Objectives



Unless mentioned, all targets are by 2025

Our employees are one of the Company’s most precious assets. They are at the heart of our mission and long-term development. We believe that our purpose fosters their pride and satisfaction in their achievements and contributions. Sharing the same values is of capital importance as they underpin the employees’ daily interactions within the Company, with its customers and more broadly in its ecosystem. They are Dassault Systèmes’ distinctive feature, making everyone eager to join us, to work together and grow. To this intent, we engage our employees in a culture of open contribution and feedback through our new ways of working and we empower them to achieve ethically and collectively. Diversity and the creation of inclusive teams are part of our objectives to reach harmony around meaningful

projects, to enable mutual enrichment of knowledge and to encourage creativity.

Dassault Systèmes is committing to climate change mitigation and adaptation. We set greenhouse gas emissions reductions targets, approved by the Science-Based Targets initiative (see paragraph 2.5.4 “Monitoring progress: Climate Metrics and Targets”). We became a founding member of both the European Green Digital Coalition and the Digital with Purpose movement, in addition to signing on to the United Nations Global Compact (see the Communication On Progress in section “Cross-reference tables”). On the occasion of COP26, the Company released its first Life Cycle Assessment data intelligence solution globally on the evaluation of the product life cycle’s carbon impact.

Dassault Systèmes' sustainability performance is recognized externally, with the Company entering the Dow Jones Sustainability World Index (DJSI) for the first time this year at the 5<sup>th</sup> place in the global software sector and performing in the 97<sup>th</sup> percentile. The Company scored 100 – the highest score possible – on environmental and social reporting. In addition, Dassault Systèmes continues to be included as one

of Corporate Knights, on the 9<sup>th</sup> place of the *Top 100 Most Sustainable Corporations in the World*, is ranked 19<sup>th</sup> in *Forbes' World's Best Employers*, and continues to be well rated by most leading agencies (see paragraphs 1.8 "Environmental, Social, and Governance Performance" and 2.7 "Environmental, Social and Governance Metrics" for more details).

## 2.1 Sustainability Governance

Sustainability issues are core to Dassault Systèmes' strategy and are managed at the highest level of corporate governance:

- sustainability being an integral part of Dassault Systèmes' purpose, the Board of Directors of the Company considers sustainability as part of its reviews and decisions on the strategy, according to French law and its internal rules;
- within the Board of Directors, Dassault Systèmes appointed an independent director – Ms. Toshiko Mori, an architect committed to sustainable future thinking – to be the lead director for sustainability matters and their presentation to the Board of Directors. As such, Ms. Toshiko Mori is responsible for the review of Dassault Systèmes' targets, action plans and achievements with regards to environmental, social and governance (ESG) issues before reporting on these matters to the Board of Directors;
- the Board of Directors has also included an ESG indicator in the performance criteria triggering payment of the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer and of the members of the Operations Executive Committee (see paragraphs 5.1.3.2 "Compensation of the Chief Executive Officer" and 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)");
- each committee of the Board of Directors (all composed exclusively of independent directors) is in charge of sustainability as it relates to its missions:
  - the Scientific Committee reviews the evolution of our Sustainable Solutions portfolio,
  - the Audit Committee includes in its annual program the review of the evolution of Environmental, Social, and Governance (ESG) reporting new requirements and all reporting process related matters,
  - the Compensation and Selection Committee reviews performance criteria for the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer;
- at the Operations Executive Committee, Florence Verzelen, Executive Vice President, Industry, Marketing & Sustainability, is responsible for the Company's sustainability roadmap in terms of product development strategy to help customers become more sustainable (handprint) and environmental footprint;
- the Sustainability Committee brings together, every month, the heads of all the key functions of the Company to discuss action plans and the progress made on cross-functional matters. This Committee is co-chaired by Florence Verzelen and Thibault de Tersant, Senior Executive Vice-President, General Secretary of Dassault Systèmes. The Chief Sustainability Officer of Dassault Systèmes is secretary of the Sustainability Committee;
- from an operational perspective, the Sustainability department coordinates:
  - a network of more than 40 Sustainability Leads, who drive the implementation of the Company's sustainability strategy across each geography, brand and industry,
  - the Zero Carbon Team, who aligns seven key business functions in the attainment of Dassault Systèmes' science-based emissions targets,
  - and the environmental reporting network with its 31 members, who reports environmental indicators on a quarterly basis and share best practices.
- the Finance department has also created, in 2021, a sustainable finance role, whose purpose is to ensure the accuracy of the non-financial information and reporting process, the calculation of the European taxonomy indicators and the selection and valuation of the climate scenarios.

## 2.2 Social, Societal and Environmental Risks

As part of Dassault Systèmes' global risk management process, a detailed assessment of 18 potential social, societal and environmental risks was performed in 2018 with over 35 experts, directors and department managers, in order to identify the probability of occurrence, severity and preventable nature.

Based on the results of this assessment, the main contributors, meeting in Committee, drew up a mapping of social, societal and environmental challenges, thus identifying nine categories of risks specific to the Company and that could have a strategic, operational, legal, financial, reputational impact or affect our ability to innovate. After taking into account the policies implemented, risks that are still considered as significant are presented in the paragraph 1.9.1 "Risks related to the Business". These categories cover the sustainable development topics included in the materiality map defined by the Sustainability Accounting Standards Board (SASB) for the Software and IT Services industry (see section "Cross-reference tables"):

- Human Capital, including our ability to promote diversity and equal treatment, to attract the talented individuals on the global employment market, to support the development of knowledge and know-how, to develop employee engagement, to preserve their health and safety, and to retain our talents (see paragraph 2.3 "Social Responsibility");
- Social Capital, including personal data protection (see paragraph 2.4.2 "Protect Intellectual Property and Personal Data");
- Environment, including the management and reduction of our greenhouse gas emissions, the management of our energy consumption (i.e. reputation, regulation and carbon tax related challenges), the treatment and recycling of our waste electrical and electronic equipment, including

our actions in favor of circular economy (see paragraph 2.5 "Environmental Responsibility");

- Leadership and Governance, including our ability to:
  - promote strong business ethics. The impacts of our business with regard to human rights are assessed as part of the vigilance plan. The impacts of our business with regards to anti-corruption are subject to a specific mapping, updated periodically. Including the fight against tax evasion, they do not represent main risks and are covered under our Code of Business Conduct (see paragraph 2.6 "Business Ethics and Vigilance Plan"),
  - manage the impact of digital technology on people and society in collaboration with players from civil, economic and scientific society,
  - support breakthrough innovation product and service projects initiated by start-ups, communities of innovators and research laboratories (see paragraph 2.4.3 "Facilitating Innovation and Collective Intelligence").

These categories are the basis of our non-financial performance statement and are documented in view of associated policies and procedures, upcoming measures and the definition of key performance indicators.

Given the nature of our activities, we consider that the areas relating to food waste, the fight against food poverty, respect for animal wellbeing, responsible, balanced and sustainable food choices, and collective agreements and their impact on the Company's economic performance do not represent main risks and do not require development in this chapter. However, for transparency purpose, we provide in this chapter information on independent employees' representation and collective bargaining agreement in Europe.

## 2.3 Social Responsibility

Our social responsibility approach is entrusted to the Human Resources and Information Systems department, including the Real Estate and Facilities Management department. The definition and implementation of related policies is based on a global network of employees composed of experts and operational staff, at global and local level. Projects

and indicators are managed through dashboards in the **3DEXPERIENCE** platform. Our operational monitoring system, which combines people analytics and data science including a predictive component, supports decision making and implementation of appropriate action plans.

Dassault Systèmes is organized around main functions: R&D; Sales, Marketing and Services and Company's General Administration, serving our brands and main markets within three large geographical regions.

As of December 31, 2021, the total workforce was 20,496 employees covering subsidiaries in which Dassault Systèmes has more than a 50% shareholding, representing an increase of 3.6% compared to December 31, 2020. Reflecting our international dimension, 39% of our employees are located in Europe, 29% are located in the Americas and 32% are located in Asia, covering 42 countries of operation.

In 2021, 3,629 new employees joined Dassault Systèmes, including 99.4% through recruitment and 0.6% through newly acquired companies. This growth in the number of employees brings our breakdown by activity to:

- 41% in R&D;
- 46% in Sales, Marketing and Services;
- 13% in Company's General Administration.

In accordance with our Corporate Principles of Social Responsibility, Dassault Systèmes is committed to provide each employee with a remuneration to achieve a decent standard of living, as set out in the Universal Declaration of Human Rights of the United Nations. 99% of our employees are under permanent contracts and are recruited locally, thus contributing to the economic development of each country in which we operate.

In 2021, for the second consecutive year, we are included in Forbes' The World's Best Employer list of 750 companies across 46 countries. In nineteenth place in the overall ranking, we are in the first position among French companies. We were awarded the *Top Employeur France 2021* (2021 Top French Employer) label and are also recognized in other countries, for example through our positioning in the list of Top 100 Employers in Montreal, Canada.

### 2.3.1 Attracting Talented Individuals

Since the very beginning, we have demonstrated our ability in the field of **3DEXPERIENCE** universes, enabling our clients to accelerate their transformation and imagine Sustainable Solutions. Our growth is based in particular on our ability to attract talented individuals motivated by our ambition, thus reinforcing the expertise and complementarity of our employees.

On the global employment market, competition for high-tech skills is increasingly stiff. Our value proposition is founded on our Purpose, which contributes to sustainability in many fields, as well as our passion for breakthrough innovations, in an international and multicultural context. We aim to be acknowledged as a leading employer who attracts and engages talents to develop them and ensure sustainable employability in all its forms. To achieve our objectives, we implement consistent and diverse candidates' sourcing and selection solutions.

In order to enable future talents to complement their academic studies with work experience in an innovative environment, we have posted and filled more than 1,000 global internship and apprenticeship positions. In this respect, we continued to organize various events, such as hackathons and innovation challenges. We also promoted these offers within our network of 457 higher education institutions and universities covering 23 countries. Our aim is to offer them career opportunities by joining Dassault Systèmes after graduation.

Referrals represent a major source of recruitment and allow us to draw on our employees' network to promote Dassault Systèmes and leverage our career opportunities worldwide.

Any employee can recommend a candidate via our dedicated application which is part of the **3DEXPERIENCE** platform. In 2021, 38 countries ran a campaign to promote and accelerate this program, which led to us receiving more than 23,300 applications.

Our attractiveness is also based on our ability to support the professional development of our employees in order to achieve personal fulfillment and increase their expertise and know-how in our solutions and the industry segments we address. In this sense, the *My Journey* application allows each employee to define a career development project. All employees can connect to the *My Job Opportunities* application, which provides real-time access to available jobs, allows them to apply online and follow the progress of their application.

Candidate and student experience is central to our recruitment processes, both face-to-face and remote. In 2021, we were accredited with the World Choose My Company – HappyIndex Trainees and Choose My Company – HappyIndex Candidates labels, which were also awarded across various countries. We were also listed in *Universum France* "The Most Attractive Employer" rankings for students and professionals.

At the end of 2021, we reached our targets as set at the end of 2018. Between January 1, 2019 and December 31, 2021, we filled 20.7% of job offers through referrals compared to the target set of 20%, and 31.5% of positions were filled by internal hires compared to a target of 30%. We extend these objectives for the period 2022 to 2025.

## Main indicators

	2021	2020	2019
Job offers filled	3,875	1,729	3,358
Job offers filled under permanent contracts	96.4%	95.1%	94.9%
Job offers filled by referral	17.5%	24.3%	22.5%
Conversion of interns and apprentices <sup>(1)</sup>	28.6%	9.8%	23.8%
Job offers filled by internal hires <sup>(2)</sup>	29.8%	36.9%	31.2%

- (1) Percentage of conversion, under permanent or fixed-term contracts, of the total number of interns and apprentices, whether they continue their educational training or they are graduated.
- (2) Percentage of job offers requiring at least three years' professional experience filled with internal candidates.

### 2.3.2 Developing Knowledge and Know-how

Throughout the major transformations brought by Dassault Systèmes with 3D, digital mock-up (DMU), 3D product lifecycle management, and now the **3DEXPERIENCE** platform, we have demonstrated our ability to learn and master new technologies and to assemble and develop skills to innovate. This individual and collective capacity is at the root of our success and growth. "*Passion to Learn*" is one of our values and is part of our DNA.

Our training and certification process is driven by the 3DS University, which aims to offer development initiatives in line with our activities, generally validated by passing an exam. Through the **3DEXPERIENCE University** application, we offer all our employees a portfolio of training and knowledge acquisition experiences in areas related to our solutions and business expertise. We also aim to pass on to each employee the knowledge of our purpose, our values, our brands and the adoption of the **3DEXPERIENCE** platform. This portfolio of certifications, generally validated by passing an exam, includes 82 programs related to our main role, 93 programs related to our brands, and 77 programs related to industry segments, supplemented by more than 8,700 training courses aimed at developing specific skills. In 2021, we rolled out 74 new programs, including one dedicated to mastering the **3DEXPERIENCE** platform, issued more than 31,800 certifications and provided almost 470,000 hours of training.

We strive to engage our employees in our culture of open communication and feedback through our new ways of working. The 3DS University is therefore part of the Company's model to develop long-term knowledge and know-how by both connecting experts through communities and involving them in the creation of certification programs. As part of the annual performance appraisal and collective collaboration on company projects, each person may request social feedback contributions from other employees contributing to confirm demonstrated strengths and areas for development.

In order to strengthen our approach to career development and the Company's agility, we have developed a standardized skills referential covering knowledge and know-how. These skills are included in the different roles that make up our model. They

allow employees to assess themselves in consultation with their managers and to reinforce certification programs aimed at on-the-job specialization, expertise and social learning.

In line with our commitment concerning business ethics and corporate social responsibility (see paragraph 2.6 "Business Ethics and Vigilance Plan"), our new joiners' onboarding program includes mandatory trainings relating to ethics, compliance, personal data protection and anti-corruption.

In a context where the cyber threat is increasingly high and challenging for all parties within the Company, we developed in 2021 a multi-year cyber-security training program adapted to each role, which is set to be rolled out in 2022. As part of this program, training available to all employees will become mandatory to ensure they are in a position to identify and avoid the risks related to the digitalization of our communication. Training will be offered to developers on security by design, covering code, architecture and software life-cycle. All members of the Information Systems department will work on networks and systems security fundamentals. Each cyber-security expert will be offered internationally recognized certifications to enhance and improve their knowledge and know-how. In addition, an objective covering compliance with Company policies, mandatory trainings and the enforcement of cybersecurity rules will be integrated in 2022 as part of the annual performance appraisal.

More than 19% of employees hold management positions, which represents a community of more than 3,900 women and men who manage our human capital throughout their career development within Dassault Systèmes. Managers play a key role in the employees' commitment, motivation and development through the collective management of the teams, as well as through the individual support they provide along with the Human Resources teams. Our training portfolio for managers is designed to provide in-depth knowledge of our processes for managing performance, recognition and development of people and teams. The associated certification program provides managers with a common base of managerial skills and allows them to develop their leadership and communication skills to motivate their teams around common goals and Company values.

To sustain our talents, we created two specialized development programs. "Rise Up!" is an inclusive leadership skills development program. It aims to build a pool of future managers to support Dassault Systèmes' performance and sustainable innovation. This holistic and personalized nine-month program includes, in particular, structured mentoring, personal development and co-development measures. "GLOW" is a strategic skills and leadership development program. Structured over a period of ten months, the program includes group training, e-learning, collective coaching and case scenarios on transformation

projects defined by the Company. Participants are then given the opportunity to present their work to members of the Executive team.

All the actions carried out over the last 3 years have enabled us to reach our objectives as defined at the end of 2018:

- 83.1% of employees benefit from a certification related to our purpose and values, compared to the target of 75%;
- 81.8% of People Managers are certified, compared to the target of 80%.

## Main indicators

	2021	2020	2019
Employees who received training	90.9%	87.6%	-
Average number of training hours <sup>(1)</sup>	28.9	23.5	20.6
Employees certified to Company's knowledge and values	83.1%	72.4%	59.9%
People Managers certified	81.8%	75.8%	65.4%
Employees trained on ethics and compliance <sup>(2)</sup>	98.6%	98.2%	96.9%

(1) Average number of training hours for employees who received training.

(2) Average percentage of permanent employees who completed mandatory training on Business Ethics, Personal Data Protection and Anti-Corruption.

## 2.3.3 Preserving Health, Safety and Well-Being in the Workplace

Our commitments, which are included in our Code of Business Conduct and in our Corporate Principles of Social Responsibility, aim to provide all employees with working conditions that guarantee their health and safety, in compliance with the applicable laws and regulations. We are working on formalizing and implementing measures and procedures to ensure the protection of people in the context of our operational activities.

Four major policies lay down the scope of application, the measures and the procedures, as well as the responsibilities of all contributors, in particular the Security and Safety department, the Real Estate and Facilities Management department, the Human Resources department and the Legal department. These policies cover our employees in their business activities, on our sites and during their business travels. They also cover our stakeholders, in particular our clients, our partners and our service providers during their presence on our sites or at events organized on behalf of Dassault Systèmes. This portfolio of policies stems from the strengthening of procedures since 2015.

In 2021, we continued with our previously undertaken actions to manage the COVID-19 pandemic by strengthening preventive measures relating to the health, working and living conditions of employees. The specific governance introduced

to manage the epidemiological situation and its consequences was maintained and adapted according to the evolution of the health situation. General on-site employee health and safety recommendations have been regularly updated and adapted to the directives of each country in which we operate. Our five-phase procedure, including standard guidelines, has allowed us to manage the on-site presence capacity plan, compliance with health rules, and to achieve a balance between on-site and remote working which benefits our employees, projects and activities.

In line with measures taken in 2020, the national and international business travel policy has been continued and adapted depending on the circumstances. The prior authorization process was maintained for all business trips, and events organized by Dassault Systèmes were either suspended or adapted.

In order to assess the situation of our sites and enable decision-making, management indicators have been defined on the basis of the public health data and made available to key contributors in dashboards integrated into the 3DEXPERIENCE platform. These operations were carried out in compliance with the personal data protection and other applicable national legislation.



In accordance with local regulations, and where operational conditions allow, we have rolled-out additional support measures for public health policies. For example, a COVID-19 vaccination campaign was organized in India, and oxygen devices were made available to employees and their immediate family members. In France, voluntary COVID-19 and seasonal flu vaccination campaigns were set up for employees.

In addition, our policy aims to propose a benefit plan to our employees in accordance with the local practices of the countries in which we operate. In addition to local regulatory plans, we also propose supplemental health insurance plan and contingency coverage in a number of countries including France, Germany, the United Kingdom, the United States, Canada, South Korea, Japan and India.

It is essential to reach a balance between on-site and remote work that ensures harmony between professional and personal life, maintains collaboration and a sense of belonging to Dassault Systèmes.

In 2021, we defined a global flexible work policy enabling all employees to work remotely one to two days a week. This policy was implemented in France in collaboration with unions under collective agreement frameworks. In 2022, we plan to roll out this policy in all the countries in which we operate, thus contributing to reduce travel time and environmental impact of employee commuting (see paragraph 2.5.2 “Driving Action: Climate Strategy”). We ensure that this new way of working is carried out in a secure manner. Remote connection is provided through VPN platforms and is authorized for employees who have read the IT charter, our Code of Business Conduct and Anti-corruption policy, and who have received ethics, compliance and security training (see paragraph 2.3.2 “Developing Knowledge and Know-How”). This approach is complemented by employee support measures to preserve balance and quality of life, particularly in terms of connection ethics and health monitoring.

Each site reflects the Company’s spirit and identity. It hosts and contributes to the well-being of our employees, potential talents, our clients and our partners. The physical environment is thus core to our real estate strategy and we are committed to providing workspaces that are sustainable (see paragraph 2.5.2 “Driving Action: Climate Strategy”), comfortable and collaborative and provide our employees with on-site services. The 3DS Paris Campus, our headquarter located in France, provides a wide range of services, including two large restaurant facilities, a concierge service, a medical service offering conferences on various subjects relating to health and well-being, more than 2,100 free parking spaces, as well as a fitness room. The 3DS Boston Campus, located in Waltham in the United States, provides restaurant and relaxation facilities, a concierge service, a sports hall, as well as a demonstration area for ergonomic solutions to allow employees to adapt their workstations to their physical needs. Each year, our internal survey (see paragraph 2.3.4 “Fostering and Rewarding Employee Engagement”) measures employee satisfaction with their work environment. In 2021, it was ranked at nearly 78%, and thus higher than the objective of 75% defined at the end of 2018. We are continuing our actions towards the quality of spaces, notably with the construction of a fifth building by 2023 on the 3DS Paris Campus in France and a new building on the 3DS Pune Campus in India by the end of 2024.

In accordance with our Corporate Principles of Social Responsibility, we ensure all employees have working conditions, in particular working hours, that protect their health and safety. We take care to accommodate employees’ requests for part-time work and forms of statutory leave or leave of absence, in compliance with local laws and regulations and upon operational activities. We also take care to ensure that the annual objectives’ definition and their annual assessment take employees’ workload into account to ensure a positive work-life balance, which is confirmed in the related interview reporting document.

## Main indicators

	2021	2020	2019
Absenteeism	2.2%	2.3%	1.8%
Occupational accidents	29	19	18
Satisfaction Work Environment <sup>(1)</sup>	77.5%	79.8%	72.7%
Permanent employees working part-time	2.3%	2.4%	2.3%
Permanent employees benefiting from a leave of absence <sup>(2)</sup>	1.8%	1.4%	1.4%

(1) Percentage measured by an annual satisfaction survey.  
(2) Including end-of-career leave.

## 2.3.4 Fostering and Rewarding Employee Engagement

Our commitments, which are included in our Corporate Principles of Social Responsibility, aim to provide our employees with compensation complying with or exceeding those set by applicable laws and regulations and all legally required benefits, to respect the right of employees to associate freely, form and join workers' organizations of their own choosing, and bargain collectively, as permitted by and in accordance with applicable laws and regulations.

At the heart of our relationship with our employees, we believe that our purpose gives meaning to the professional lives of our employees. As innovation is an integral part of our DNA, we have a number of initiatives to foster pride and recognition of achievements and an understanding of the Company's strategy. To ensure the competitiveness of our employer offering, we are committed to continuous improvement based on open communication as part of our culture to imagine, inspire and create new experiences for our employees.

Our value proposition is based in particular on our compensation policy, which aims to ensure that each employee's compensation is in line with high-tech market practices and varies according to the individual performance.

To be associated with the development and performance of the Company, key employees may be granted long-term incentives, notably through grants of Dassault Systèmes performance shares or share subscription options. This allocation is made to each person depending on their individual performance and level of responsibility (see paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE").

In order to strengthen our community and to offer as many of our employees as possible the opportunity to be involved in the Company's project and growth, we launched in 2021 an employee shareholding program in 20 countries, representing nearly 98% of the workforce on the plan's opening date. This operation allowed employees to subscribe to a leveraged shareholding scheme at a 15% discount and offering a capital guarantee in euros (see Note 7 to the consolidated financial statements).

Since 2004, each year we reward the most innovative projects carried out by Dassault Systèmes teams around the world, thus encouraging collaboration. The projects submitted are selected through a vote by employees and by a jury, composed of members of the Executive team. The 2021 edition of the *3DS INNOVATION Forwards* registered 297 candidate projects, representing 2,405 employees, and rewarded 43 projects, involving 547 people. In 2021, we organized our first event dedicated to sustainable innovation. This team competition, open to all employees, aims to create innovations for a more sustainable economy through collective intelligence based on our portfolio of solutions. We also promote measures aimed at contributing to the sustainable development of our ecosystem via the skills-based sponsorship program of La Fondation Dassault Systèmes (see paragraph 2.4.1 "Digital

Responsibility: Foster and Promote Education and Innovation") and encourage participation in social and societal initiatives in our various countries of operation for the benefit of local non-profit organizations.

To ensure respect for freedom of association, Dassault Systèmes has an independent employees' representation:

- at the local level, with representatives elected by employees or union representatives;
- at the supranational level, through the Committee of the European Company covering all countries within the European Economic Area as well as the United Kingdom whose retention in the scope of this committee was voted by the members.

In Europe, employees in 18 countries are covered by an independent employees' representation and employees in 15 countries benefit from collective bargaining agreement.

Since 2010, an internal satisfaction survey has been open to all our employees worldwide. This survey enables employees to give their opinions on five dimensions including the meaning of their work, the quality of management, the competitiveness of the work environment, the collective quality of life and the pride in working for Dassault Systèmes. This survey makes it possible to identify, for each team and each country, watch points and required priority actions leading to local plans presented to employees and shared within the *3DS People* community. In addition, since 2019, we propose to each employee, upon leaving the Company, to participate in a survey during which they can express the reasons for their decision, share information on their experience within Dassault Systèmes and on their future professional prospects in order to identify new practices and initiatives that meet our employees' expectations.

Following a year of significant employee turnover declines, 2021 has globally experienced a significant rebound in the global labor market. Against this backdrop, our employee-initiated turnover rate has seen a 3.2 points increase compared with 2019. Throughout the year, we assessed the risk of key employees leaving and implemented action plans to retain them. These individual and collective actions included specific development plans, internal mobility, changes in responsibilities or salary alignment measures adapted to the local labor market in order to ensure our attractiveness. Our employee-initiated turnover rate therefore returned to pre-pandemic levels in the majority of countries in which we operate. The rate was higher:

- in India, where it positioned below the average rate for our industry as recorded by NASSCOM, a non-governmental trade association focused mainly on the technology industry in India, in its November 2021 quarterly review;
- in the United States, where it was lower than the average rate recorded by market research at the end of the first half of 2021 for the technology and life sciences sectors.

## Main indicators

	2021	2020	2019
Employees granted with Long-Term Incentive <sup>(1)</sup>	11.3%	11.9%	10.4% <sup>(2)</sup>
Employees subscribing to shareholding program <sup>(3)</sup>	55.4%	-	-
Employees covered by independent employees representation in Europe	97.3%	-	-
Employees covered by collective bargaining agreement in Europe	84.5%	-	-
Average seniority (in years)	8.3	8.2	8
Employee voluntary turnover	10.8%	5.3%	7.6%
Employee total turnover	12.9%	6.6%	9.3%
Employee pride and satisfaction <sup>(4)</sup>	79.8%	82.5%	78%

(1) Excluding members of the Executive team.

(2) Excluding Medidata.

(3) Average percentage of eligible employees subscribing to the employee shareholding program.

(4) Percentage measured by an annual satisfaction survey.

## 2.3.5 Promoting Diversity and Inclusion

Our corporate culture is based on a common ambition, our purpose, as well as unique and shared values within our ecosystem. Diversity and the creation of inclusive teams are part of our objectives to achieve harmony around meaningful projects and a mutual sharing of knowledge, to encourage creativity and create a fulfilling team environment for our employees from 135 countries.

Our Code of Business Conduct and our Corporate Principles of Social Responsibility document our commitments in terms of mutual respect and diversity. Recruitment, training, promotion, assignment, and other employment decisions are thus based on qualifications, talent, achievements and other business motives.

### Gender equality at work

In order to promote the greater inclusion of women in the Company, our *3DS WIN* (Women Initiative) program, created in 2012, is steered by a committee composed of eight members, four of whom are members of the Operations Executive Committee. The *3DS WIN* community coordinates a network of employees committed to encouraging, inspiring and supporting women in their career development within Dassault Systèmes.

We take action from the recruitment stage onwards by integrating female profiles, both as candidates and as employees involved in the selection process of future talents. Our ability to recruit women in the engineering industry remains a challenge due to their under-representation in related education fields and careers in science, technology, engineering and mathematics (STEM). We are committed to various stakeholders including:

- *Cercle InterElles* organization in France, which promotes gender diversity and professional equality in the science and technology sectors;
- *JFD* in France, both through our support for the Margaret Awards initiative and through the contribution of Ms. Florence Hu-Aubigny, Executive Vice President, Research & Development, to the book "*Elles changent le monde*" ("They're changing the world");
- *PowerToFly*, in the United States, a recruitment and diversity retention platform which connects under-represented talents with roles in highly visible sectors;
- *Inspiringgirls*, in Italy, a non-governmental body which organizes events to encourage girls between the ages of six and sixteen to follow their career aspirations and have confidence in their capabilities.

In 2021, 1,265 women joined Dassault Systèmes, representing almost 35% of new hires.

We have strengthened our communication regarding the *My Journey* application (see paragraph 2.3.1 "Attracting Talented Individuals"), which has helped increase the number of career development or mobility projects initiated by women and identify the profiles of those aspiring to become managers. These projects are supported by participation in specific programs promoting access to positions of responsibility, such as the *Rise Up !* development program with 80% of participants being women in 2021 (see paragraph 2.3.2 "Developing Knowledge and Know-how"). These programs contribute to the development of inclusive leadership to build an environment of trust and teamwork. To help managers understand issues and have a positive impact on diversity within the Company, the *People Managers* certification program includes different learning modules on inclusion, multicultural management and gender intelligence.

We have indicators in place to monitor male and female salary structures. In this respect, we pay particular attention to the positioning of any recruitment offer in terms of the market median and annual salary review. Dassault Systèmes SE received a global score of 95 points out of 100 on the Gender Equality Index calculated in 2021 with regard 2020.

Our aim to achieve gender equality is reflected in the composition of the Company's management bodies. The proportion of female directors, excluding directors representing employees, on the Board of Directors is 50% and the proportion of women within the Executive team is 38.5% (see paragraphs 5.1.1 "Composition and Practices of the Board of Directors" and 5.1.7.5 "Gender Equality within the Executive Team and Top Positions of Responsibility"). In 2021, we improved our global score by more than five points in the "*Palmarès de la féminisation des instances dirigeantes des entreprises du SBF 120*" (Ranking of women representation in governance bodies of SBF 120 companies) conducted by the French Ministry in charge of gender equality, diversity and equal opportunities. In this regard, Laurence Barthès, Executive Vice President, Chief People & Information Officer, took part in a round-table discussion with various players and stakeholders during the first *Assises de l'égalité économique et professionnelle* (French conference for economic and professional equality).

### Disability and disease

Our initiatives to encourage the development of an inclusive work environment also target persons with disabilities and those directly or indirectly affected by illness.

Our French, German, English, Dutch, American, Canadian, Japanese, South Korean and Australian companies are subject to specific laws regarding employment of people with disabilities. The agreement signed in France on December 20, 2018 is the sixth agreement of Dassault Systèmes SE to promote the employment of workers with disabilities, and our measures notably cover:

- recruitment, onboarding and integration through individualized support plans;
- career management and keeping in employment actions;

- training and development for disabled students and job seekers to help them acquire knowledge and expertise in new digital jobs to improve their professional opportunities within Dassault Systèmes and with our customers and partners;
- partnership with the French adapted and protected work sector.

In October 2021, Dassault Systèmes launched an initiative to encourage greater flexibility in dealing with the problems caused by cancer and other chronic diseases in the working environment. On January 7, 2022, Bernard Charlès Vice chairman of the Board and Chief Executive Officer, signed the Cancer@Work charter, demonstrating a strong commitment to the inclusion and retention of people affected directly or indirectly by such disease. Alongside the Cancer@Work association of general interest, and in line with a corporate culture focused on human value, Dassault Systèmes will initiate in 2022 an action plan in France to improve awareness and representations toward cancer and chronic diseases and how we handle their impact in the professional context. We are also strategically committed to Life Sciences & Healthcare sector and have the ambition to strengthen our societal contribution in this field.

### Discrimination and harassment

Dassault Systèmes strictly prohibits any form of harassment and discrimination in work relations, in particular during the recruitment process and during employment. Situations that may involve harassment or discrimination are assessed on a case-by-case basis, as established by specific facts and circumstances and according to their legal qualification. In 2021, we developed online training on situations and forms of discrimination and harassment in 18 priority countries, to be expanded in 2022 (see paragraph 2.6.5 "Maintaining an Appropriate Vigilance Plan"). 11 cases of inappropriate behavior, discrimination or harassment were received, in particular through the whistleblowing procedure, and were examined by the Ethics Committee. All substantiated cases led to disciplinary action (see paragraph 2.6.4 "Committing to Ensure Respect for Human Rights and Fundamental Freedoms").

## Main indicators

	2021	2020	2019
<b>Gender equality at work</b>			
Women on Board of Directors <sup>(1)</sup>	50%	50%	50%
Women in the Executive team	38.5%	38.5%	22.2%
Women among People Managers	21.2%	20.7%	18.8%
Women in the Company	27.5%	26.8%	26.2%
R&D	22.1%	21.7%	20.9%
Sales, Marketing and Services	27.4%	26.4%	25.5%
Company's General Administration	44.4%	44%	44.1%
Women in new joiners	34.9%	33.5%	34.1%
Gender Equality Index <sup>(2)</sup>	95/100	95/100	86/100
<b>Country of origin</b>			
Number of countries of origin	135	133	128
<b>Disability</b>			
Employment of people with disabilities <sup>(3)</sup>	2.9%	2.9%	2.8%

(1) Excluding Directors representing employees, not accounted in accordance with the law and the AFEP-MEDEF Code.

(2) The Gender Equality Index (Index *Egalité Femmes-Hommes*) reported covers Dassault Systèmes SE. It is calculated each year in respect of the previous year.

(3) The employment rate of people with disabilities reported covers Dassault Systèmes SE. It is calculated each year in respect of the previous year.

## 2.4 Societal Responsibility

As a strategic player in the Industry Renaissance, we strive to transform the world of education and to prepare the workforce of the future. In addition, in the age of digital economy, and

in a context of an increasing number of regulations, personal data protection, as well as cybersecurity, are of major concern for our clients and partners.

### 2.4.1 Digital Responsibility: Foster and Promote Education and Innovation

#### Preparing the “Workforce of the Future”

Dassault Systèmes is committed to empower people with the right skills to imagine sustainable innovations. As part of the Industry, Marketing and Sustainability department, our **3DEXPERIENCE Edu** organization is responsible for defining and implementing programs to prepare the workforce of tomorrow. **3DEXPERIENCE Edu** expands and nurtures Dassault Systèmes’ students community and upskills professionals through their whole life thanks to experience-based learning.

To this end, an international team of employees is in charge of developing Dassault Systèmes’ footprint in education, and deploying programs for initial and continuing education.

**3DEXPERIENCE Edu** aims to help students, educational institutions, companies and individuals acquire the skills sought by the Manufacturing Industries and the Infrastructure & Cities sectors as well as the Life Sciences & Healthcare industry to imagine and design sustainable innovations.

The department focuses on:

- increasing the attractiveness of engineering and science to young people;
- lifelong learning and the development of skills to foster employability;
- pedagogic innovation with experience-based learning.

Dassault Systèmes strives to engage younger generations in science, technology and sustainable innovations to anticipate and match future skills needs, and enhance employability. To this end, we organized and supported over 60 students’ competitions in 2021 for science and technology students worldwide. Using the **3DEXPERIENCE** platform and its brands such as SOLIDWORKS, CATIA, or SIMULIA, students could enter these contests to design humanoid robots, electric-powered submarines, solar racecars, next-generation drones and even space shuttles. As part of our project of the year annual competition, we recognized dedicated projects for their sustainability impact. For example, students have proposed innovative solutions to extract fresh potable water by condensing the moisture present in the air or to create solar

energy multi-purpose machines used for reaping and weeding crops.

To promote lifelong learning, we are committed to help students and professionals get the right skills for the Industry Renaissance and foster their employability.

We launched this year three new **3DEXPERIENCE** Student editions available on our online store. These offers are combining software, learning content and certifications so that students can develop their knowledge, practice and showcase their certified skills on their resume.

With dedicated offers for design, engineering, simulation, systems engineering, virtual manufacturing and much more, we continued to build strong partnerships with Academic institutions all over the world to develop experiential learning as well as multidisciplinary projects and programs.

In Japan, the Aso Architecture and Design College Learning Lab promoted project-based learning on the **3DEXPERIENCE** platform to its students who developed more than 15 projects in 2021 on the theme of the future of Mobility. In France, we signed a partnership with the Construction and Civil Engineering School ESTP Paris to advance student skills and the future of construction. ESTP Paris will provide students with innovative learning experiences by integrating the **3DEXPERIENCE** platform into its curricula. In the United States of America, we are collaborating with two key schools in the domain of life sciences: the Long Island University (LIU) and the Illinois Institute of Technology (IIT). LIU opened their 3D simulation laboratory with the **3DEXPERIENCE** platform as a key component of this initiative. IIT is working closely with Dassault Systèmes to explore the development of virtual human twins.

To address Dassault Systèmes' customers upskilling needs, we reinforced our online learning libraries offer with new learning content and certifications. We work closely with our customers to upskill their workforce, a key success factor for their digital transformation.

A key milestone for **3DEXPERIENCE** Edu this year was the official launch of the **3DEXPERIENCE** Edu Centers of Excellence label and network. The first centers to join the program – CampusFab and the Trades and Qualifications of Excellence Campus – South (CMQE-SUD) cluster in France, the K-Tech Center of Excellence in Aerospace & Defense in India, the Composites Manufacturing Simulation Center of Purdue University in the U.S., and the Industrial Innovation Center for Aerospace (CIIA) in Mexico – operate closely with employers in the aerospace, automotive, energy and electronics

industries. Centers that join the **3DEXPERIENCE** Edu Centers of Excellence program are equipped with the expertise to offer complete learning opportunities combining virtual worlds on the **3DEXPERIENCE** platform with state-of-the-art machinery used in the workplace, as well as courses and curricula designed in collaboration with local employers and taught by platform-certified instructors. Students, operators, technicians, engineers and innovators can boost their employability by developing in-demand skills in virtual twin processes, materials science, data-driven manufacturing and other areas, in the context of existing or future job roles. A significant number of candidate centers has applied to the program and undergoes a formal vetting process before joining.

To help people acquire the skills sought by the industrial sector, we also published a series of thought leadership e-books on the key skills for the future. In partnership with professional experts and academics, we showcased how additive manufacturing designers, civil engineers, systems engineers, mechatronics engineers and industrial Engineers will be critical roles to develop a sustainable world.

Dassault Systèmes, as the **3DEXPERIENCE** Company, is promoting experience-based learning for education. Our **3DEXPERIENCE** Edu hub developed with the Illinois Institute of Technology a learning experience for students and teachers to understand how a breathing system and a respiratory machine work through their virtual twin. To answer the increasing skills need towards the battery topic, the **3DEXPERIENCE** Edu Hub worked on a learning experience about the dismantling process of an electric battery from a car, using the **3DEXPERIENCE** platform. Students can develop their knowledge and know-how on battery knowledge, MBOM, disassembly modeling, and disassembly process planning.

To deepen our knowledge of educational practices and share our experiences with educators, we remained very active in a number of scientific associations, including the American Society for Engineering Education (ASEE), the *Société Européenne pour la Formation des Ingénieurs* (SEFI), the International Federation of Engineering Education Societies (IFEES), the Global Engineering Deans Council (GEDC), the International Society for Engineering Pedagogy (IGIP) and the UNESCO Center of Problem Based Learning.

We have been committed to the academic world since 1997. We estimate that nearly 6.76 million learners have used this year one or more of our Company's technologies in 2021 in initial or lifelong training.

The **3DEXPERIENCE** platform is a unique platform to build a relationship between academics and industry.

## La Fondation Dassault Systèmes

La Fondation Dassault Systèmes places virtual universes at the service of a more sustainable society in order to contribute to transformation in the following fields:

- education, to support the development of new innovative learning methods in scientific and technical subjects, to facilitate and share the creation of 3D educational content and its dissemination, and thus contribute to the growth of innovation and sustainable development at all educational levels;
- research, which is the main provider of solutions for economic, social and environmental challenges, by enabling researchers to push back the limits of knowledge;
- heritage, by enabling scientists to find better ways of protecting it and enhancing it for future generations.

Through three legal entities based in Europe, India and the United States, La Fondation Dassault Systèmes provides grants and digital resources and skills in the field of virtual technology to projects conducted by universities, research institutes and other general-interest organizations.

In 2021, La Fondation Dassault Systèmes continued to support the 38 projects initiated in 2020 and decided to support 60 new projects: 22 in Europe, 27 in India and 11 in the United States.

In order to anticipate the social and political impacts of the in-depth changes taking place in our world, and to meet our society's economic and environmental challenges, the invention of solutions to ensure the transition to a sustainable society requires the transmission of knowledge, the acquisition of skills and a spirit of innovation. To this end, La Fondation Dassault Systèmes has chosen to provide support notably to:

- Jumpstart Fellowship Program in the United States run by Mass Robotics, which provides opportunities for Massachusetts high school girls to learn about careers in robotics, allow them to gain a technical skills base, and develop a network of professionals thanks to the commitment of Dassault Systèmes employees;
- the French National Center for Scientific Research (CNRS), for its Virtual Lakes project which aims to create a 3D model of Lake Turkana in Africa. At 290 kilometers long, the majority of the lake is located in Kenya with its far northern end crossing into Ethiopia. Impacted by two dams and the massive consumption of water for irrigation (cotton and sugar cane), Lake Turkana has been included by UNESCO on its list of endangered World Heritage Sites. Due to the specific context and climate change, scientists fear a new "Aral Sea." Digital modeling will allow them to test various scenarios and provide some answers regarding real-time changes, as well as providing a picture of possible evolutions. This modeling will also act as a reference in the study of all major lakes worldwide;
- Made in 3D, a competition created in partnership with the foundation *La Main à la Pâte* aiming to introduce middle and high school students to innovation and entrepreneurship in France, was implemented in India after adapting it to the local education system, marking the start of a unique cultural exchange program between French and Indian

school children. In 2021, La Fondation Dassault Systèmes signed an agreement with Atal Innovation Mission – NITI Aayog, an organization associated with the Indian government which also aims to create and promote a culture of innovation and entrepreneurship at the national level. This new partnership has allowed 50 schools in 29 different states to take part in Made in 3D.

Promoting the development of students' skills in the field of health and encouraging research is a major focus of La Fondation Dassault Systèmes' development all through 2021:

- each year, thousands of people undergo the amputation of a limb because of accidents, congenital defects or even war injuries. 3D modeling, digitalization and printing to manufacture prosthetics offers a real solution and a glimmer of hope for these patients. However, healthcare professionals are not yet familiar with these 3D technologies, though the knowledge, experience and intuition of doctors play a major role in the therapies that use them. For this reason, and thanks to La Fondation's support, the Maharashtra Institute of Technology (MIT) in Pune (India) has created a set of curricula for healthcare professionals to help train them in the application of 3D technologies in medical science;
- at the same time, the development of medical devices to improve patient monitoring and care also requires new skills. La Fondation Dassault Systèmes has launched, in partnership with the NIT Foundation – University of Lorraine (Nancy Polytechnic, France), a training course for a new profession, that of e-health manager. This curriculum aims to allow students to supplement their engineering training with skills related to healthcare challenges. La Fondation also supports the creation of individual scenarios to provide interactive learning (lumbar punctures and childbirth) as part of the development of the Lorraine virtual hospital in France;
- in the most severe cases, COVID-19 causes acute respiratory distress syndrome. Patients must therefore be placed on ventilators and long-term after-effects can be severe. In the United States, La Fondation Dassault Systèmes provided exceptional support to the University of California-Riverside toward research, using virtual environments to simulate the impact of innovative ventilators aimed at mitigating damage caused by artificial respiration and lowering mortality rates.

To recognize the contribution of La Fondation Dassault Systèmes toward academic transformation and its impact, the Indo-French Chamber of Commerce and Industry awarded our Indian foundation the Best CSR Impact award under the Skill Development category for its Connect Next program. This program aims to favor employability by bringing industry closer to the academic world. Through a series of webinars, industrialists present to Indian engineering students with their major short- and medium-term challenges, enabling them to choose the right final-year study projects. Students are then supported through mentoring and internships. This considerably increases their skills and knowledge, and industrialists are able to spot and recruit the talents that they need. La Fondation Dassault Systèmes won this award for the fourth year in a row.

On June 8, 2019, La Fondation Dassault Systèmes announced the development of the *Mission Ocean* project, which aims at supporting the preservation of the oceans, considered playing a key role in climate change. This project aims to develop scientific and technical literacy curricula across various disciplines, such as for example mathematics and physics, involved in ocean conservation. These new educational program contents will foster the acquisition of new skills for middle and high school students, and will prepare them for their future employment and support research. This will make it possible to prepare the relevant educational resources for the next decade, designated by the United Nations as the “Decade of Ocean Science for sustainable development.”

For this project, La Fondation Dassault Systèmes is backed by key partners in France, including the French Ministry of National Education, the Canopé network of educational creation and support, ONISEP (the French National Office for Information on Education and Occupations) and *l’Institut Français de Recherche pour l’Exploitation de la Mer* (the French Research Institute for Exploitation of the Sea, or IFREMER). Thirteen other organizations, such as universities and startups, joined the project in 2021. They have been sharing their 3D models and skills with twelve teachers. The latter have then been adapting this content for high school

students, to offer 17 new educational contents based on real situations and innovations. The project thus facilitates the connection between schools and the industry.

The development of skills for the African continent is also a key subject for La Fondation Dassault Systèmes. Two major projects are supported in this field: Ethiopia Education Initiatives, led by the Haile-Manas Academy, and InnoTech Lab, led by the Digital Transformation Alliance (DTA). The former aims to support young people with high potential identified across all regions in Ethiopia, in order to provide them with a comprehensive, future-oriented education. In Cameroon, DTA aims to drive an inclusive and sustainable transformation on the basis of a major industrial, technological and digital revolution. Its InnoTech Lab offers future engineers a new experience that is driving innovative momentum in key development sectors in Central African countries.

La Fondation Dassault Systèmes continues to foster and promote the commitment of Dassault Systèmes employees who wish to pass on their knowledge and know-how with passion. More than 250 volunteers are involved in educational or research support initiatives. This program is also open to employees benefiting from early retirement leave (France) and those who have retired from Dassault Systèmes.

## 2.4.2 Protect Intellectual Property and Personal Data

In order to ensure our compliance with all regulations and accurate referentials on the long term, we are continuing to implement our action plans and processes. We step up our approach in the light of our new activities and newly acquired companies, particularly in the healthcare industry, and continue the updating process of our personal data protection policies, particularly in light of the changes in national regulatory frameworks.

We rely on a combination of different intellectual property rights, mainly copyrights, patents, trademarks, domain names and trade secrets, to establish and protect our technology. For more details about intellectual property please refer to paragraph 1.5.3. “Intellectual Property”.

### Cybersecurity

The ever-growing interest in Software as a Service (SaaS) has necessitated a new paradigm for security requirements. Since customer information is transferred, processed and stored outside the customers’ own environment, emphasis must be placed on securing this information. We have put security at the heart of our 3DEXPERIENCE platform’s development and deployment in order to ensure several well-controlled layers of security, with a particular emphasis on *Security in Depth*.

The concept of “Security in Depth” at Dassault Systèmes relies on the fact that several independent mechanisms are put in place in order to mitigate any single risk. In the unlikely case where a first mechanism fails to block the malevolent action, other mechanisms will neutralize the threat.

### Due Diligence

Cybersecurity at Dassault Systèmes is a company-wide effort under the supervision of the Operations Executive Committee. We have formed a Cybersecurity Committee that oversees the operations in all 3DS organizations, where formal Cybersecurity Officers are appointed.

### Policies

A Global Dassault Systèmes’ Cybersecurity Policy is available for all our employees. It is aligned with industry standards such as ‘ISO’ standards, the US National Institute of Standards and Technology (NIST) frameworks, international risk management methods (NIST RMF and ANSSI EBIOS) and the MITRE ATT&CK Enterprise Framework. Its purpose is to specify, define, and establish the information security requirements used by Dassault Systèmes to secure our systems and information. Implementing these policies ensures continuity of operations and minimizes the risk of business damage by preventing and/or minimizing the impact of security incidents.



Dassault Systèmes faces increasing security threats from a wide range of sources. Our systems and networks may become the target of a variety of serious threats, including computer-based fraud, espionage, vandalism, cybercrime activities and social engineering. These Cybersecurity threats to business data and data privacy are expected to become more widespread, more ambitious and increasingly sophisticated. Consequently, the security requirements and solutions needed to address these threats must continue to evolve in a way that minimizes risk exposure to Dassault Systèmes and its customers.

### Protecting personal data

We have always considered the protection of personal data as a major concern for our clients and partners and are aware of the responsibility in the processing of personal data. Since the introduction of the European Union's General Data Protection Regulation (GDPR) as well as other data privacy laws, we have continuously reasserted our data protection commitment by improving our solutions through new capacities that enable our clients and partners to manage their data privacy compliance programs.

Because Dassault Systèmes values the confidence of its customers, users, staff, and global ecosystem, any personal data collected, used, disclosed, and transferred must be managed in a manner consistent with the laws, regulations, and practices of the countries in which Dassault Systèmes does business.

### Due Diligence

Dassault Systèmes has appointed a Group Data Protection Officer and established a cross-functional Data Privacy team that has taken into account both internal and stakeholder compliance requirements. This team is in charge of:

- managing Dassault Systèmes' internal compliance with regards to data protection laws and its privacy policies;
- continuously identifying and monitoring enhancements to Dassault Systèmes' offerings, websites and communications to specifically enable customer and other stakeholder compliance to the data privacy laws, including but not limited to GDPR.

Designation of an entity as controller or processor entails different obligations under the GDPR and other data protection laws. In that respect, customers using Dassault Systèmes solutions are considered as being responsible for the processing of personal data they need to use in this context. When we act as processor for the personal data that we must process and store as part of our cloud offerings, such as the **3DEXPERIENCE** platform, and are controller when we process personal data in the context of the use of our internal applications.

Our solutions are designed according to the concepts of "Privacy by Design" and "Privacy by Default" that aim to ensure that privacy is integrated into applications from the design stage.

### Policies

Our personal data protection policy is structured in three parts and cover the websites and activities of our Company (customers, partners, visitors, etc.), employees and job applicants. These personal data protection policies and our internal processes have been updated in the light of regulatory developments, in particular with consideration for data protection laws applicable in the State of California in the United States, Japan, Australia, Russia and China. As part of our annual review process to ensure continued compliance, our record of processing activities has been reviewed and improved using the **3DEXPERIENCE** platform for our processes related to the management of data subjects' requests as well as our notification process in the event of a security breach affecting data subjects.

### Certifications and actions 2021

Dassault Systèmes is certified ISO 27001:2017 (Information security management) and ISO 27701:2019 (Personal Data Protection management) for the **3DEXPERIENCE** platform SaaS, when acting as controller for handling of personal data provided in this context and processor for personal data under the control of a customer and processed in this environment.

Similarly, Medidata Solutions, Inc. is certified ISO 27001:2015 (Information security management), ISO 27017:2015 (information security in public cloud), ISO 27018:2019 (personal data protection for public cloud) and ISO 27701:2019 (Personal Data Protection management) for its clinical cloud. Medidata Solutions, Inc. also provides a SOC-1 Type 2 for our payment processing offerings, as well as a SOC-2+ Type 2 for both Security and Privacy trust principles over the entire environment, which includes physical and logical, IT hosting operations, such as system monitoring and disaster recovery, as well as data integrity.

Outscale SAS, provider of cloud Computing infrastructure services, is certified ISO 27001:2017 (Information security management), ISO 27018:2019 (personal data protection for public cloud) as well as *Hébergeur de Données de Santé* (Health Data Hosting) issued by ASIP Santé and was awarded SecNumCloud qualification by the *Agence Nationale de la Sécurité des Systèmes d'Information* (ANSSI).

Dassault Systèmes Global Services Private Ltd, our BIOVIA cloud Sciences solutions and our DELMIA Quintiq Hosted Services are also certified ISO 27001:2013 (information security management).

Training is a key requirement for all employees of Dassault Systèmes. In 2021, beyond the mandatory training to allow everyone to gain the required knowledge in terms of personal data protection, we continued our training actions tailored to specific roles (see paragraph 2.3.2 "Develop knowledge and know-how"). As of December 31, 2021, 17,044 employees representing 98.6% of the base workforce have attended this general training course compared to 16,436 representing 98.4% of this workforce on December 31, 2020.

In 2021, all requests relating to personal data were processed and resolved within the legal timeframe, and cybersecurity incidents managed according to the 3DS Incident Response Plan.

### 2.4.3 Facilitating Innovation and Collective Intelligence

The **3DEXPERIENCE** Lab is Dassault Systèmes' open innovation laboratory. Its objective is to support breakthrough products and services stemming from various industries, by tapping collective intelligence in order to drive society forward. This system is based on the strong conviction that breakthrough projects are born out of collective intelligence. Its mission is to accelerate projects in the prototype phase initiated by startups, innovator communities and research or innovation laboratories, and enable them to market their products or services on a large scale.

The **3DEXPERIENCE** Lab supports projects that transform society in a positive way and thus help to achieve the United Nations' Sustainable Development Goals. It aims to be a strategic partner for breakthrough innovations that help to change the world while reducing the ecological footprint. The **3DEXPERIENCE** Lab thus supports projects based on themes from everyday life, i.e. cities, lifestyles or life sciences, calling on various innovation levers such as additive manufacturing, big data or virtual reality.

This approach is based on a community of innovators, including:

- the **3DEXPERIENCE** Lab core team, which manages governance and implements the required technical and legal tools. It is a source of inspiration and draws on its network of contributors;
- innovation mentors, employees of various Dassault Systèmes' organizations, who participate in the sourcing and qualification of projects;
- a community of participants that provides strategic guidance and key ideas on specific topics and in which decision-makers are responsible for arbitrations.

This community of innovators meets quarterly in project presentation sessions where members and the jury express their preferences.

The **3DEXPERIENCE** Lab program offers each supported startup the means to achieve its development by giving them access to:

- the **3DEXPERIENCE** platform, encouraging digital continuity and the development of cross-organizational networks, to capitalize on knowledge and know-how;
- a mentoring program in both the technical and the marketing & communication fields, in which each Dassault Systèmes employee can contribute his or her skills to support startups in their projects for the design, modeling, simulation and industrialization of their digital twin;
- Dassault Systèmes' international ecosystem to accelerate startups' product launches and international footprint;
- communication initiatives to increase their visibility.

Since the creation of the **3DEXPERIENCE** Lab in 2015, hundreds of projects have been put forward and supported by a community of around 2,000 mentors. Around fifty projects worldwide are currently being supported, in particular in the United States, India and Europe. Some of the program's most recent new projects include:

- Clean Sea Solutions, in Norway, which is developing an autonomous drone equipped with mapping captors capable of removing plastic waste on or just below the water's surface in ports, canals and estuaries;
- Futura Gaïa, in France, which offers vertical farming using rotating geponics installed in refurbished buildings in peri-urban areas;
- GalaxyFCT, in Malaysia, which is developing an on-demand hydrogen production system that is transformed into a solid state to optimize its transport and storage;
- PadCare, in India, which is developing a circular economy approach based on the transformation of used sanitary pads into packaging material, plastic bricks and waste-derived fuel.

#### We saw the first results from this program in 2021

The first projects supported are yielding their first results. This includes the reconstruction of virtual twins of patient organs for pre-operative simulation with Biomodex and Feops, which is in production in some hospitals, or the first

flights and missions of XSun's autonomous solar drone or AgreenCulture's agricultural robot. These results demonstrate a real impact and provide concrete solutions to certain United Nations Sustainable Development Goals, and beyond the entrepreneurial success of these young startups, we are proud to inspire an entire industry in many sectors, and to encourage sustainable and responsible innovation.

### The year 2021 was also a period of consolidation

Following the announcement of the launch of the virtual **3DEXPERIENCE** Lab in December 2019 and the introduction of immersive sessions allowing the general public as well as professionals to discover the projects supported by our acceleration program, we have continued with the development of these digital twins presented through virtual reality. The interaction between visitors and the **3DEXPERIENCE** Lab team, as well as the startups themselves, through immersive virtual reality technology, amplified the visibility of these high value-added technological and scientific projects that are transforming the world.

We launched a series IF WE IMPACT THE FUTURE, consisting of episodes broadcast live and online, over two seasons, in which the world's innovators demonstrate their commitments to health, energy, agriculture, and the smart city. The immersive and engaging 3D experience has created a new way to communicate.

Despite the various lockdown periods, we have kept holding digitally on the cloud our quarterly pitch sessions for startups working digitally on the cloud, and confirm our ambition to internationally source innovations from the Netherlands, Romania, Japan, Finland, Israel, Germany, the United States of America and India.

The operational support of these startups has also continued, the benefits of the cloud have been demonstrated and the program is proud to see these projects industrialized and marketed far beyond their home territories.

Our open innovation approach extends to major groups to help launch collaborative innovation projects such as Software *République*, in which Dassault Systèmes is taking part, notably through its organization of a global challenge relating to the mobility of the future.

Our community of "makers" is growing significantly, with projects from young talents innovating in biomimicry, fashion, frugal innovation and Industry Renaissance, enabled by our 3D design, simulation and additive manufacturing applications. A new online offering for makers was launched on July 1, 2021 at Fab16, MIT's Fab Foundation's annual event, and has since had thousands of users.

(For further information, <https://3dexperiencelab.3ds.com>).

## 2.5 Environmental Responsibility

Our contribution to collaborative innovation is instrumental by connecting knowledge and know-how and the creation of the virtual twin, through the **3DEXPERIENCE** platform. Today, this technology is identified as having a significant potential to accelerate sustainable transformation.

This was particularly true in 2021, when climate change figured at the top of the global sustainability and regulatory agendas. The most recent Intergovernmental Panel on Climate Change (IPCC) reports confirmed beyond doubt that the climate is warming due to anthropogenic greenhouse gas emissions; COP26 brought global leaders together to reiterate the need to keep this warming under 1.5 degrees Celsius and to establish more ambitious action plans to do so.

In that context, in 2021, Dassault Systèmes:

- has developed its sustainable portfolio to increase its handprint;
- has also built a more comprehensive reduction plan for greenhouse gas (GHG) emissions that was approved by the Science-Based Targets initiative as being aligned with a 1.5-degree pathway (Scopes 1 & 2) and with current best practice (Scope 3). These objectives apply to 2025 or

2027 horizon depending the scope and foresee our carbon neutrality target, by 2040;

- has joined the Digital with Purpose movement, which promotes new technologies as a transformational lever contributing to the achievement of the Sustainable Development Goals and the trajectory set by the Paris Agreement;
- became one of the 26 founding members of the European Green Digital Coalition, which recognizes the Information and Communication Technologies (ICT) sector as a key player in the fight against climate change;
- started its climate risk analysis in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to assess climate-related risks and opportunities.

On the regulatory front, the European Union introduced the Taxonomy for Sustainable Activities to report on revenues, capital expenditures and operating expenses related to climate change mitigation and adaptation activities, providing the architecture of the Green Deal (see paragraph 2.7.2 "EU Taxonomy Indicators").

In this context, we have chosen to present our approach to environmental responsibility with a particular focus on climate, according to the recommendations of the TCFD that sets out recommendations for the disclosure to investors of information about governance and actions to reduce climate

change risks. The following paragraphs correspond to the TCFD framework of climate governance (2.5.1), climate strategy (2.5.2), climate risk management (2.5.3), and climate metrics and targets related to our *Sustainability Compass* (2.5.4).

## 2.5.1 Overseeing Impacts: Climate Governance

As presented in paragraph 2.1 “Sustainability Governance”, sustainability issues are core to Dassault Systèmes’ strategy and are managed at the highest level of corporate governance. Climate risks and opportunities are a particular area of focus in each of these governance bodies:

### Board’s oversight of climate-related risks and opportunities

- Dassault Systèmes lead director for sustainability matters, Ms. Toshiko Mori, receives regular briefings on both climate risks and opportunities as part of her oversight responsibilities of environmental, social and governance (ESG) issues. Climate risks and opportunities were a particular focus in 2021, notably with a review of Dassault Systèmes’ science-based targets for greenhouse gas emissions as well as our product portfolio strategy, with a focus on environmental Life Cycle Assessment. Ms. Toshiko Mori has reviewed Dassault Systèmes’ sustainability strategy, has provided her feedback to the teams in charge of these matters, and has reported to the Board of Directors;
- each committee of the Board of Directors (all composed exclusively of independent directors) is in charge of sustainability as it relates to its mission:
  - the Scientific Committee reviews the evolution of our Sustainable Solutions portfolio,
  - the Audit Committee includes in its annual program the review of the evolution of Environmental, Social, and Governance (ESG) reporting new requirements and all reporting process related matters,
  - the Compensation and Selection Committee reviews performance criteria for the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer.

### Management’s role in assessing and managing climate-related risks and opportunities

- Operations Executive Committee: Florence Verzelen, Executive Vice President, Industry, Marketing & Sustainability, is responsible for the Company’s sustainability roadmap in terms of product development strategy to help customers become more sustainable assessing climate opportunities (handprint) and of environmental footprint (managing climate risks);
- Sustainability Committee: the heads of all key corporate functions participate in a monthly meeting, co-chaired by Florence Verzelen and Thibault de Tersant, Senior Executive Vice-President, General Secretary of Dassault Systèmes, to review sustainability risks and opportunities. The Chief Sustainability Officer of Dassault Systèmes is secretary of the Sustainability Committee. This year’s agenda included the definition of science-based targets and a 2040 carbon neutrality strategy, an analysis of our solutions portfolio as per the EU Taxonomy, and a deep dive analysis of climate change scenarios, as recommended by the TCFD, amongst other climate topics.
- the Sustainability department coordinates, from an operational perspective, following teams:
  - the Sustainability Leads network of more than 40 Sustainability Leads drives the implementation of the Company’s sustainability strategy across each geography, brand and industry (Sustainable Solutions),
  - the Zero Carbon Team aligns seven key business functions with a focus on optimizing our supply chain and achieving Dassault Systèmes’ short-term science-based emissions targets by 2025 and 2027 (Sustainable Operations),
  - the environmental reporting network with its 31 members reports environmental indicators on a quarterly basis and share best practices;
- Finance Department: a sustainable finance role has been created in 2021 whose purpose is to ensure the accuracy of the non-financial information and reporting process, the calculation of the European Taxonomy indicators and the selection and valuation of the climate scenarios.

In line with the TCFD recommendations, the main objective of this governance is to assess and manage climate-related risks and opportunities in the most efficient way, in coordination with Dassault Systèmes’ global strategy on sustainability challenges, and fully integrated in the Group operational framework.

## 2.5.2 Driving Action: Climate Strategy

### Climate-Related Risks and Opportunities

In 2021, Dassault Systèmes launched an in-depth analysis of climate-related risks and opportunities in the short, medium and long term, following the methodological approach recommended by the Task Force on Climate-related Financial Disclosures (TCFD). This analysis focuses on several potential scenarios for the climate transition and climate change. These scenarios are based on hypotheses whose degree of reliability remains uncertain.

The matters of attention identified below in a preliminary manner will be assessed and confirmed through in-depth issue analysis initiated in 2021 and continued in 2022:

- risks: in the short term, the Company faces increasing expectations from all its stakeholders, including customers, employees and investors, to take early climate action. The potential threats to its reputation that could arise from a lack of reactivity on this front increased significantly in 2021. In the medium and long term, some of our customers may find it difficult to respond to the requirements of the energy and sustainability transition, which could have an impact on our revenue in certain sectors. Within the parameters of the transition toward a more sustainable economy, we have also identified potential pitfalls linked to new regulations and the possible emergence of a worldwide or regional system of carbon pricing which could have direct financial repercussions on all companies. Finally, in the long term, if the worldwide ecological transition does not take place quickly enough, the rise in temperatures could have a direct impact on physical infrastructures, and particularly on our data server centers and their energy supplies;
- opportunities: in the short term, we have identified a strong demand from customers for technologies that will help them to innovate on a more sustainable basis, and Dassault Systèmes, who systematically considers environmental matters in the 3DEXPERIENCE platform improvements, is well positioned to provide ecodesign solutions and product life-cycle modeling through the use of virtual twins. Dassault Systèmes solutions already contribute to some of the most disruptive sustainable innovations, from the design of the first solar-powered aircraft to the generation of nearly 70% of the world's current wind-powered energy capacity. In the medium term, the possibility of establishing worldwide carbon pricing means that companies like ours, which set themselves ambitious scientific targets very early on, will enjoy a competitive

advantage in terms of expenses to the extent that they will already have reduced their greenhouse gas emissions beforehand. In the long term, we believe that technologies such as virtual twins, whose solutions contribute directly to the decarbonization of the global economy, will be at the heart of the innovation, production and recycling processes of industrial products and services and will present significant business opportunities.

### Assessment of the likely impact of climate-related risks and opportunities

In 2021, Dassault Systèmes initiated an assessment of which risks and opportunities could have a significant financial impact on the Company. They will be "significant risks" or "significant opportunities" depending on whether the occurrence is considered high and the resulting financial impact is considered as "medium", "high" or "very high". This methodology is currently under refinement and may evolve in the future. It is described in paragraph 2.5.3 "Foster Resilience: Climate Risk Management".

### Impact of Climate-Related Risks and Opportunities

The growing number of issues related to climate change has led Dassault Systèmes to integrate these potential impacts as key features in its development strategy. Thus, the Company's main functions and its Sustainable Development department roll out targeted action plans aiming both to reinforce Dassault Systèmes' resilience for dealing with major climate events and to provide its customers with innovative solutions capable to adapt to these new challenges. Our primary fields of action are detailed below:

- our employees, to foster sustainable innovation;
- products and services, to add decision support tools integrating environmental criteria (Life Cycle Assessment);
- the supply chain, to even further promote responsible purchasing with internal functions and our suppliers;
- operations, to reduce our carbon footprint with regard to real estate, transport and IT equipment;
- research and development, to initiate a reflection on sustainable IT solutions;
- inter-organizational collaboration (in the form of strategic alliances), to promote such sustainable IT solutions.

Whereas in the past Dassault Systèmes included climate-related risks and opportunities into its strategy as they were identified, the Company is now broadening its action to seize the new opportunities that could occur related to these changes, and to ensure an adequate level of adaptation:

**Employees:** In 2021, we launched a sustainability commitment program, which included the launch of our *Sustainability Compass* Townhalls. These regular meetings are open to employees who engage actively with our internal “*Sustainability Compass*” community in order to better understand sustainability initiatives both inside and outside Dassault Systèmes. We have also launched and developed our Sustainability Leads community, a network of 40 sustainable development experts hailing from different geographical areas, industries and brands. During fortnightly meetings, we have helped these employees to develop their general sustainability knowledge and to take ownership of their role, which includes enriching and promoting our sustainability solutions portfolio. We have also offered the possibility to enroll in the Circular Economy Masterclass at the University of Exeter: over 20 Sustainability Leads completed this course in 2021.

In addition, we gave all our employees around the world the opportunity to listen to and exchange views with renowned speakers and subject matter experts on the topic of sustainability through a series of conferences: the Sustainability Speakers Series. The three sessions held in 2021 brought together an average of 470 participants who attended lectures on topics ranging from climate geopolitics to behavioral science.

To foster our employees’ innovation and engagement on sustainability, we also launched our first ever global sustainability innovation challenge: *LEAP for Sustainability@3DS*. The aim of this program, which is part of our *Sustainability Compass*, is to create a forum where all our employees can propose circular economy solutions based on our existing portfolio of solutions, as well as on external reference sources, for example through our Ellen McArthur Foundation membership. We engaged over 500 employees from different geographical areas, brands and industries in our launch webinars, 90 of whom formed LEAP teams. 58 participants in seven teams were selected for the final stage of the program, which involved the completion of their solutions and the development of audio-visual demonstrations ready to be used go-to-market. At the end of the program, 93% of all involved stakeholders agreed that LEAP had given them a better understanding of the process of creating Sustainable Solutions within Dassault Systèmes.

All these engagement initiatives launched in 2021 will be continued in 2022 and will contribute to our overall goal of engaging 5,000 stakeholders on sustainability by 2025.

**Products and Services:** In November 2021, we launched our new solution focusing on sustainable development: *Sustainability Innovation Intelligence*. It allows us to capitalize

on our virtual twin solutions by integrating a Life Cycle Assessment, to enable an evaluation of the environmental impact of a product or process from the design stage. This data can be used by our customers to achieve their Sustainable Development Goals (SDGs) and can then be consulted by any stakeholder in the downstream innovation process, leading to better decision-making. Life Cycle Assessment is the most advanced tool for the global and multi-criteria evaluation of environmental impacts. It is a standardized method for measuring the quantifiable effects of products or services on the environment. Our Life Cycle Assessment solution is part of a partnership with Ecoinvent, who provides the inventory database, allowing the analysis to be carried out in the context of a virtual twin.

We have integrated this solution into the portfolio of three of our key industries from 2021: Aerospace & Defense, Home & Lifestyle, Consumer Packaged Goods & Retail, as well as into the winning solution of our internal sustainability innovation challenge, *LEAP for Sustainability@3DS*. This solution, in addition to enabling a more circular management of the end-of-life of batteries from the electric vehicle industry, also allows an environmental impact assessment of these batteries from their conception. Three other industries will see this solution integrated into their portfolio from the first quarter of 2022: Transportation & Mobility, High-Tech and Industrial Equipment.

More broadly, our virtual universes specifically help our customers to achieve the UN Sustainable Development Goals of “affordable and clean energy” (SDG 7) and “climate action” (SDG 13), both of which are necessary for the transformation of our societies, without significantly harming all other environmental aspects (water, waste, pollution and impacts on biodiversity), as the following examples demonstrate:

#### ***Transportation & Mobility***

The Transportation and Mobility sector is undergoing a massive transformation as it moves its business model toward mobility as a service, with cars built to last longer, maximizing their efficiency during use and designing them to be repairable and easily dismantled. System modeling helps our customers to simulate and optimize these complex systems, while tracking key sustainability indicators.

Specifically, reducing the weight of vehicles can provide significant benefits in terms of reduced energy and raw material consumption, particularly through the optimization of systemic impacts in the vehicle design, which further amplifies the direct benefits of weight reduction. For example, when the weight is reduced, the engine and powertrain can be downsized while maintaining the same acceleration performance as before the weight reduction, thus improving the fuel efficiency of the product.

In addition to this weight reduction, computer-aided design plays a key role in other forms of innovation, such as improving aerodynamics and a reduction in the energy and materials dedicated to the production of physical prototypes.

### Manufacturing Industries

Manufacturing Industries are undergoing a massive transformation to decarbonize their energy sources and to use new materials and new processes while assessing the environmental impacts of these choices on a scientific basis at the earliest stages of design – where up to 80% of environmental impacts can be determined. To do this, industrialists need to engage their entire supply chain to work more closely together and innovate boldly, considering sustainability as a requirement to reduce the environmental footprint of any product or system from the design phase. Our new Life Cycle Assessment solutions contribute to this, offering trade-offs between performance, cost and environmental impacts based on design choices.

### Consumer Packaged Goods & Retail

Leaders in sustainable solutions for the glass industry are joining forces to collaborate on an innovative technology that will increase the resistance of glass and therefore significantly reduce the weight of glass bottles. Dassault Systèmes has conducted virtual twins testing to research and develop a coating that will make the glass bottle lighter without compromising its robustness and shape – an industry first. The lightweight glass bottle will keep its 100% recyclability and, if the virtual trial is successful, will be tested from summer 2022. Lighter glass is one of the solutions to reduce the CO<sub>2</sub> impact of the glass sector, both in the manufacture of the bottle and in the transport of the finished products.

### Infrastructure & Cities

As sustainability regulations multiply and urban populations continue to grow, cities today face complex challenges that require more precise planning and development to optimize the quality of life of their inhabitants. At the same time, cities and their infrastructures are becoming smarter, thanks to the increased availability of sensors data.

In the Infrastructure & Cities sector, ecosystems and projects are growing in complexity and scale. By providing multi-scale modeling, combined with optimization and simulation, the virtual twin offers some capabilities to do better and with less impact on the environment, throughout the lifecycle (during construction, use, and until end of life). Modular design makes it much easier to design right the first time, reducing waste and defects.

Together with one of its major partners in the construction industry, Dassault Systèmes has initiated discussions to help create and operate smart and sustainable cities in Japan. The two companies will use virtual twin technology and big data to explore solutions to sustainability and resilience challenges in multiple areas. The first of these is the electrification of mobility, while supporting companies that bring innovative technologies and new value to this sector.

We believe that a renaissance of the construction sector is possible, to make it more sustainable and affordable. This new level of integration will reduce waste and facilitate the construction lifecycle by providing new opportunities for innovation and collaboration between the field, project teams and the construction supply chain.

### Life Sciences & Healthcare

In the Life Sciences & Healthcare sector, Dassault Systèmes is making a significant contribution to the United Nations Sustainable Development Goal “good health and well-being” (SDG 3) through the numerous clinical trials conducted each year on the MEDIDATA platform, as well as the academic research conducted with BIOVIA. Both demonstrate the power of the virtual twin for health, patient well-being in the fight against pandemics and for the reduction of emissions linked to the production processes of the pharmaceutical sector.

In 2020, Dassault Systèmes also launched the Water for Life campaign, which combines the themes of water and consumption to assess how the industry can consume smarter and protect this resource threatened by over-consumption. This campaign is part of the Company’s commitment to support the United Nations Sustainable Development Goals (SDGs), and in particular SDG 6 to “Ensure the availability and sustainable management of water and sanitation for all.” Water for Life also helps our clients to meet this challenge in three ways: by measuring and optimizing, innovating and creating, and educating. For example, the 3DEXPERIENCE platform aims to help measure and optimize the water footprint of companies by offering integrated industry solutions that provide data on the water consumption associated with the experience they create and the impacts of various design options.

**Supply chain:** the Purchasing & Travel department has, for several years, integrated social, environmental and ethical requirements into its procurement processes. These requirements are present in the specifications, in the annual objectives of all our buyers and in the entire management cycle of the supplier relationship.

Dassault Systèmes has just renewed its commitment to responsible purchasing by signing the new Supplier Relations and Responsible Purchasing Charter of the *Médiation des Entreprises* (Business Ombudsman) in France and strives to meet the payment deadlines of its suppliers in all countries. In addition, our participation in the Science-Based Targets initiative (SBTi) and the ongoing roll-out of the ISO 50001 certification for energy management have led the Purchasing & Travel department to strengthen its supplier selection process based on sustainability criterias and to include them in its contracts.

Our buyers, who have been trained for several years in responsible purchasing, have attended specific training sessions in 2021 on the objectives set by the Company as part of the SBTi in order to promote the new Dassault Systèmes’ mechanism to their internal customers and to Dassault Systèmes’ suppliers.

The Company shares with its ecosystem of suppliers both its ambitions and its determination to address the climate transition. Its objective is to convince the majority of its

suppliers (i.e., 52% in terms of CO<sub>2</sub> equivalent emissions) to join the SBTi by 2025. Different communication channels are used to share these challenges: our operational contacts have been made aware of the issues at stake in order to mobilize their suppliers. At the same time, a communication campaign was launched to over 400 of our main partners to inform them about this approach and encourage them to join. The 3DS Sustainable Charter with Suppliers has been reviewed to reflect these requirements.

As of late December 2021, Dassault Systèmes estimated that 31% of its suppliers, calculated in terms of their share of greenhouse gas emissions in relation to the total supply chain, have joined the SBTi to date and that 23% have had their targets validated, increasing around 7 points compared to 2020 (16.3%).

More broadly, the Purchasing & Travel department is set to address the reduction of carbon emissions from Scopes 1, 2 and 3 as effectively as possible (see paragraph 2.5.4 "Monitoring Progress: Climate Metrics and Targets").

**Operations – Real Estate and Energy Management:** With the exception of the office facilities belonging to Dassault Systèmes Solutions Lab Private Ltd. located in Pune (India), the Company does not own the offices it occupies and does not have full ownership rights over any land or building, either directly or through a lease.

We choose our site locations with the objectives of promoting synergies and collaboration, and of improving working conditions for our employees while controlling the environmental footprint of our operations.

Since 2008, we have been pursuing a policy of locating our activities in premises certified by environmental labels such as the *Haute Qualité Environnementale* (HQE, or High Environmental Quality), standard in France, LEED or BREEAM. In 2021, we therefore strengthened the environmental criteria within our reference framework for selecting new premises. As of December 31, 2021, 35 sites were covered by environmental certifications for buildings: 13 in Europe, 13 in America and 9 in Asia.

In 2021, the Pune Campus was expanded with the construction of the SKY tower, which was designed for sustainability. This building, currently being audited to obtain certification from the Indian Green Building Council (IGBC), is equipped with 440 solar panels with a total power of about 240 kW, and with 25 electric vehicle charging areas. It is also equipped with LED lighting and motion detectors in order to reduce consumption. shuttles are provided daily to our employees in order to encourage public transportation and reduce the carbon footprint of commutes.

In the SBTi commitment, the Company intends to reduce its greenhouse gas emissions linked to its energy consumption by 34% in 2027 compared with 2019 levels.

In this context, our Real Estate and Facilities Management department has launched initiatives to reduce the

environmental impact of its operations. Following the energy audits carried out on 25 sites in 2019, we initiated an ISO 50001 (Energy Management System) certification process in 2020, followed in 2021 by two internal audits (3DS Paris Campus and 3DS Stuttgart), and then by the audit of six of our main sites, constituting a representative sample and conducted by an independent third party. We have obtained ISO 50001 certification for 31 sites in Europe, that is 100% of the target. The certification process for all these sites, the general energy management methodology and the tool for monitoring our Energy Management System are all supported by the **3DEXPERIENCE** platform. Centralizing the monitoring, analysis and management of our energy consumption in this way encourages the emergence of relevant action plans, which are themselves monitored on the platform, and sustains our continuous improvement approach. We have created also a worldwide digital collaborative space to support the sharing of best practices around the Energy Management System.

In the context of this certification and of its commitment to reducing its energy consumption, Dassault Systèmes has defined a global energy policy aiming to achieve the continuous improvement of its energy management. This policy applies to all the sites under certification, and includes in particular by the following commitments:

- to roll out in all the countries in which we operate a regulatory watch specifically dedicated to regulatory developments in the energy field;
- for all new sites and locations, to aim at leasing buildings with environmental certifications such as *BREEAM* in Europe, *LEED* for the Americas and Asia, and *NABERS* in Australia;
- to optimize energy efficiency, particularly by the installation of smart sensors, and to monitor energy consumption from the **3DEXPERIENCE** platform;
- to reduce the energy consumption of buildings and greenhouse gas emissions (see paragraph 2.7 "Environmental, Social and Governance Metrics");
- to source renewable electricity or purchase low-carbon energy attribute certificates (see paragraph 2.7 "Environmental, Social and Governance Metrics");
- to favor the purchasing of equipment and services with low levels of energy consumption (LEDs, etc.);
- to raise the awareness of all employees on sustainable development criteria and the ISO 50001 standard.

In 2021, in accordance with the scope of the ISO 50001 certification, we equipped 15 sites in Europe with smart meters to monitor in real time the level and sources of our electricity consumption and their fluctuations.

In 2022, we intend to pursue our certification approach by extending it to 10 of our sites in the United States.



In 2021, the energy consumption of our main facilities amounted to 66,996 MWh, of which 90% is electricity related. Whether in terms of direct consumption or through the purchasing of certificates from municipal solid waste-to-energy plants in the United States, 42 of our sites use low-carbon electricity. The production of low-carbon electricity corresponding to this consumption is certified in accordance with the US Renewable Energy Certificate (REC) standard, and is documented by electronic certificates, as described in the legal provisions of the Center for Resource Solutions. In total, 75.2% of our electricity consumption is decarbonized.

**Operations – Transport:** Our efforts to limit the environmental impact of business travel continued. To accompany the resumption of travel in 2022, we will share our new “Travel smarter, Travel greener” travel policy. It emphasizes the right balance between the need to travel and the reduction of the environmental footprint and favors internal meetings by video-conference over travel, travel by train rather than by plane, direct flights in economy class for air travel, as well as low-emission car rentals and choosing a hotel close to the work site. We also encourage the reduction of travelling, of one-day-trips, and ask our employees to combine trips, limit international flights and the number of travelers.

Our travel policy is defined to achieve our SBTi objectives: dashboards will be set up from 2022 so that travelers and their managers can monitor their greenhouse gas emissions.

We have also worked with our suppliers in 2021 to limit the environmental impact of travel (for example, through the strengthening of hotel selection criteria in our program).

In addition, the annual review of our company vehicle fleet since 2019 has led to the inclusion of an increased number of lower greenhouse gas emission models, reaching 48% electric vehicles in the 2021 fleet. As of this year, the fleet of the two major countries (France and Germany) no longer includes diesel vehicles and offers only electric, plug-in hybrid and gas-powered hybrid vehicles. Our goal is to offer a fleet composed exclusively of electric vehicles by the end of 2025.

Dassault Systèmes has introduced in 2021 a flexible work program that enables employees to work remotely up to two days per week. Launched in 2021, it will be rolled out worldwide over the course of 2022. This program will considerably reduce travel time and the carbon footprint linked to employee commuting compared with a situation in which only a handful of them were authorized to work remotely before the pandemic. Furthermore, additional electric recharging stations are installed at our sites for employees using electric vehicles.

**Operations – Computer equipment:** The environmental management and the lifecycle of our computer and IT equipment also are amongst our key priorities. Our policy for the management of these assets defines certain standards in terms of allocation of equipment to our employees. This ensures that we can supply equipment that is best suited for their functions, enabling us to rationalize the purchasing of electronic assets and to limit our carbon score per employee.

For several years, the purchasing of IT equipment has been subject to calls for tenders including a social and environmental aspect. In 2021, we increased the weight of these ESG criterias, in accordance with the purchasing policy of Dassault Systèmes. In particular, the willingness of our suppliers to join the SBTi is a key factor in our decision-making processes. We systematically ask suppliers to provide the carbon footprint of the services or products we acquire, as well as the measures implemented to recycle withdrawn machines.

In 2021, we extended the minimum period of use of the laptops made available to employees from three to four years. We favor the repairing of computers of over three years of age with spare parts from out of use machines. In the same way, we apply wherever possible this repair policy to our cell phones.

Our infrastructure equipment is renewed only if it no longer meets our needs in terms of performance, and we favor the extension of their period of use and their re-use. In 2021, 24.3 metric tons of waste of electrical and electronic equipment were collected. In Europe, the refurbishment and recycling of this equipment is entrusted to local companies, some of which employ people with disabilities. In France, for example, we have been promoting the refurbishment of computers and peripherals for several years through a partner who employs people with mental disabilities and/or persons seeking reinsertion into the labor market. Each year, more than 1,000 laptops are thus reintegrated into the circular economy.

In 2021, we continued and extended our policy of recycling equipment to all our main sites while respecting local environmental standards. For 2022, it is our ambition to improve the monitoring of the types of IT equipment processed by introducing indicators concerning the end of their lifecycle (to be reused, recycled, given).

In 2021, we also turned our attention to the management of data centers and hosting providers. We launched a worldwide assessment in order to evaluate the environmental practices of their operations and to contribute to their improvement.

In Europe, all the data centers of our main hosting partners are supplied 100% by renewable energy and our ambition is to replicate this model in all our hosting partners worldwide by 2025. Since 2021, it has been mandatory for all our new hosting partners to be supplied 100% by renewable energy.

In order to react to the continuous increase in energy consumption by data centers, the European Union has created a specific code of business conduct (European Code of Conduct for Energy Efficiency in Data Centers). Its objective is to encourage data center operators to introduce measures to reduce electricity consumption without affecting the quality of the service provided. This code of business conduct promotes a better understanding of energy demand and the introduction of best practices. In 2021 in Europe, 100% of our hosting partners in shared premises (“colocation providers”) committed themselves to respecting this code. Abiding by this code of business conduct is a determining factor for the selection of future partners.

We also set up initiatives to improve the behavior of our employees. Several awareness campaigns have been carried out, such as the information on the responsible use of digital tools, recycling campaigns involving companies from the protected sector, communications aimed at reducing storage levels, and the promotion of various local initiatives. In 2021, we notably renewed the joint waste collection campaign in partnership with the WEEE Forum on the occasion of International Electronic Waste Day. During this campaign, which has been rolled out on several of our sites covering a majority of Dassault Systèmes employees, including our 3DS Paris Campus and our 3DS Boston Campus, employees had the opportunity to drop off their obsolete or no-longer-used electrical and electronic equipment. In France, over two metric tons of equipment was collected, and its recycling made it possible to make a financial donation, proportional to the weight of the equipment collected, to a non-profit organization.

**Research and development:** in 2021, an initiative was launched in our R&D Department to raise awareness on sustainability issues in the digital sector. This initiative led specifically to a training course for R&D management teams all over the world so as to raise awareness of the criticality of sustainability and all the associated challenges. In 2022, the objective is to continue the roll-out of this awareness initiative more widely within the R&D teams.

**Strategic alliances for climate change adaptation and mitigation:** in 2021, Dassault Systèmes joined the Digital with Purpose movement, which promotes new technologies as a transformational lever contributing to the achievement of the Sustainable Development Goals and the trajectory set by the Paris Agreement. The Company also became one of the 26 founding members of the European Green Digital Coalition, which recognizes the Information and Communication Technology (ICT) sector as a key player in the fight against climate change. The coalition aims to promote investment in the development and roll-out of green digital solutions, the development of methods to measure the climate impact of digital solutions, and the establishment of guidelines for green digital transformation. In late 2021, together with one of its clients and an external firm specializing in the assessment of climate impacts, Dassault Systèmes also launched a preliminary study aiming to establish the potential scope for joint initiatives to estimate more accurately greenhouse gas emissions arising from the use of its “on premises” solutions. These recommendations will be taken into account as much as possible in order to optimize the carbon footprint of all or part of our portfolio of solutions.

## Resilience to climate risk of the Dassault Systèmes strategy

In 2021, we concentrated our efforts to select pertinent scenarios to assess the resilience of our operational model in the face of climate-related incidents. As recommended by the TCFD, Dassault Systèmes has selected three climate change scenarios to conduct a detailed risk and opportunity analysis, with the ambition of anticipating the possible impacts of climate change, the effects of the transition, and thus guiding the Group’s strategic thinking:

**A sustainable development scenario (SDS):** a transition scenario prepared by the International Energy Agency (IEA) and published in its World Energy Outlook. It describes a plausible pathway that honors the Paris Agreement’s “well below 2°C” target (Sustainable Development Goal 13 – SDG 13) while achieving universal access to energy (SDG 7) and improving air quality (SDG 3.9). In this “SDS” scenario, in addition to considerable efforts to achieve short-term emission reductions, all current commitments aiming at a net zero emission target must be met.

**Two climate scenarios using representative concentration pathways (RCP) and shared socioeconomic pathways (SSP), designed to be complementary:** The RCP scenarios are pathways with a concentration of greenhouse gas, aerosols and other gases that are chemically active in the atmosphere. They have been developed to be representative of the main scenarios existing in scientific literature. They are named according to the radioactive forcing they lead to in 2100. The RCP scenarios set both pathways for greenhouse gas (GHG) concentrations, but also the magnitude of global warming that could result by the end of the century. The new SSP scenarios offer, for their part, five pathways that the world could take. In comparison to the previous scenarios, they offer a wider vision of a world maintaining its current pathway, without any future climate policy, with a level of global warming in 2100 ranging from a minimum of 3.1° C to a maximum of 5.1° C above pre-industrial levels. The SSP scenarios establish the context in which the reduction of emissions will – or will not – be achieved.

- **RCP 2.6 / SSP 1 Climate scenario:** this represents the combination of a representative concentration pathway and of a shared socio-economic pathway prepared by the Intergovernmental Panel on Climate Change (IPCC). It depicts a world evolving towards sustainable practices thanks to strong international cooperation, limiting the increase of the global warming to 1.8° C. In this scenario, the concentrations of GHGs reach a peak in 2020, and then diminish regularly. It is aligned with the sustainable development scenario prepared by the International Energy Agency;
- **RCP 8.5 / SSP 5 Climate scenario:** this represents a combination that forms the scenario referred to as the “status quo,” as defined by the IPCC. Based on an economy founded on fossil fuels, with no change of policy and with an increase in greenhouse gas emissions, this scenario leads to a global warming of 4.4°C by 2100. The concentrations of GHGs would then increase until 2100. This pessimistic scenario is commonly used to assess resilience to a “worst case” scenario, where multiple severe physical hazards would occur.

### Scenarios of transition and climate change

Given that the economic players will carry out their transition while experiencing the impacts of climate change, methodological frameworks such as the TCFD recommend analyzing both effects using transition and climate change scenarios.

The Sustainable Development Scenario is a transition scenario that helps us to understand the potential changes that may take place in the socio-economic systems and which could reduce GHG emissions sufficiently, limiting the global warming to 1.5° C or 2° C. This path is used by Dassault Systèmes to

improve its resilience in the context of the transition toward a low-carbon economy.

The other two scenarios, RCP 2.6 / SSP 1 and RCP 8.5 / SSP 5, are climate change scenarios that describe the implications for the climate system of different GHG emission pathways, themselves representing different socio-economic pathways. They are used by Dassault Systèmes to improve its resilience to the potential physical impacts of the climate.

In-depth analyses of potential impacts on Dassault Systèmes' supply chain, value chain and operations are described below in paragraph 2.5.3 "Foster Resilience: Climate Risk Management".

## 2.5.3 Foster Resilience: Climate Risk Management

### Dassault Systèmes' process for identifying and assessing climate-related risks

The detailed Climate Change scenarios analysis, initiated in 2021 to provide a deeper understanding and assessment of climate-related risks, is performed with two complementary processes. As suggested by the TCFD recommendations, transition risks are assessed distinctively from physical risks.

The risks and opportunities analysis is performed on three major components:

- Dassault Systèmes' operations;
- Dassault Systèmes' upstream value chain (suppliers);
- Dassault Systèmes' downstream value chain (clients).

### Methodology to assess physical risks

The assessment of physical risks is performed on two components:

- **physical risks assessment for Dassault Systèmes' operations:** to evaluate the impact of physical risks on the operations (such as flood depth of water, extreme and chronic rainfall, extreme wind speeds, days of high heat, hail and thunderstorm probability, drought frequency, or wildfire risk), we have used the tool of Jupiter Intelligence, a recognized market leader for climate risks analytics, has been used. 26 of our most strategic locations were scrutinized with high granularity following the two climate scenarios (RCP 2.6 / SSP 1 and RCP 8.5 / SSP 5) resulting in a ClimateScore™ Global;
- **physical risks assessment for Dassault Systèmes' value chain:** the risks across the value chain (such as

temperature, precipitation, snowfall, surface wind, sea level temperature and pH) are evaluated using the newly developed IPCC WGI Interactive Atlas. Based on the sixth IPCC report, this interactive online tool uses several models to provide detailed information at regional level about the present and the future at specific time periods (2021-2040; 2041-2060; 2081-2100). The information provided is aligned with the IPCC scenarios, including the RCP 2.6 / SSP 1 and RCP 8.5 / SSP 5 selected by Dassault Systèmes for the analysis.

To perform the analysis, five different physical hazards (sea level rise, drought, heat, wind, rain) are evaluated across 14 regions, covering 100% of both the spent and the sales.

The calculation methodology used to evaluate physical risks follows a similar approach to the one used for determining transition risks and opportunities and is built on three variables based on the IPCC framework:

- **Climate hazard**, which is the probability of occurrence of a climate event that can cause impacts to people, infrastructure, or resources and the potential of the risk's impact;
- **Exposure**, which is the presence of people, infrastructures or resources that could be negatively impacted;
- **Vulnerability**, which is the propensity or predisposition to be negatively impacted. This predisposition is an internal characteristic of the impacted element. Vulnerability also includes the capacity of the group of people concerned to adapt to the event. For the evaluation of physical risks of suppliers and clients, the vulnerability is set at a default value.

The following formula is therefore applied to determine the level of risk:

$$\text{Risk level} = \text{Climate Hazard} \times \text{Exposure} \times \text{Vulnerability}$$

### Methodology to assess transition risks and opportunities

Transitions risks and opportunities are assessed according to the following categories, in line with the TCFD recommendations suggested methodology:

- risks:
  - policy & legal,
  - technology,
  - market,
  - reputation;
- opportunities:
  - energy efficiency,
  - energy source,
  - products & services,
  - market,
  - resilience.

The methodology is based on the Sustainable Development Scenario from the IEA World Energy Outlook and is similar to the one used to assess physical risks with a calculation based on four variables:

- the **Probability** of occurrence to qualify if the driver is exceptional, plausible, tenable, or almost certain. Since all risks and opportunities reviewed are included in the SDS scenario, the probability is set at a default value;
- the **Magnitude** of the risk/opportunity's impact;
- the **Exposure** of operations and the value chain to the risk/opportunity;
- the **Vulnerability**, meaning the residual risk or the opportunity level where mitigation action can address the risk/opportunity.

The following formula is used to determine the final risk level that will be expressed on a rating scale from 1 to 5:

$$\text{Risk level} = \text{Probability} \times \text{Magnitude} \times \text{Exposure} \times \text{Vulnerability}$$

These risks and opportunities are assessed in the short-, medium-, and long-term (see paragraph 2.5.1 "Overseeing Impacts: Climate Governance").

For the assessment of these issues, in particular the physical impacts related to climate change, the time scales considered are those recommended by the IPCC WGI Interactive Atlas:

- 2021 to 2040 for the short term;
- 2041 to 2060 for the medium term;
- and 2081 to 2100 for the long term.

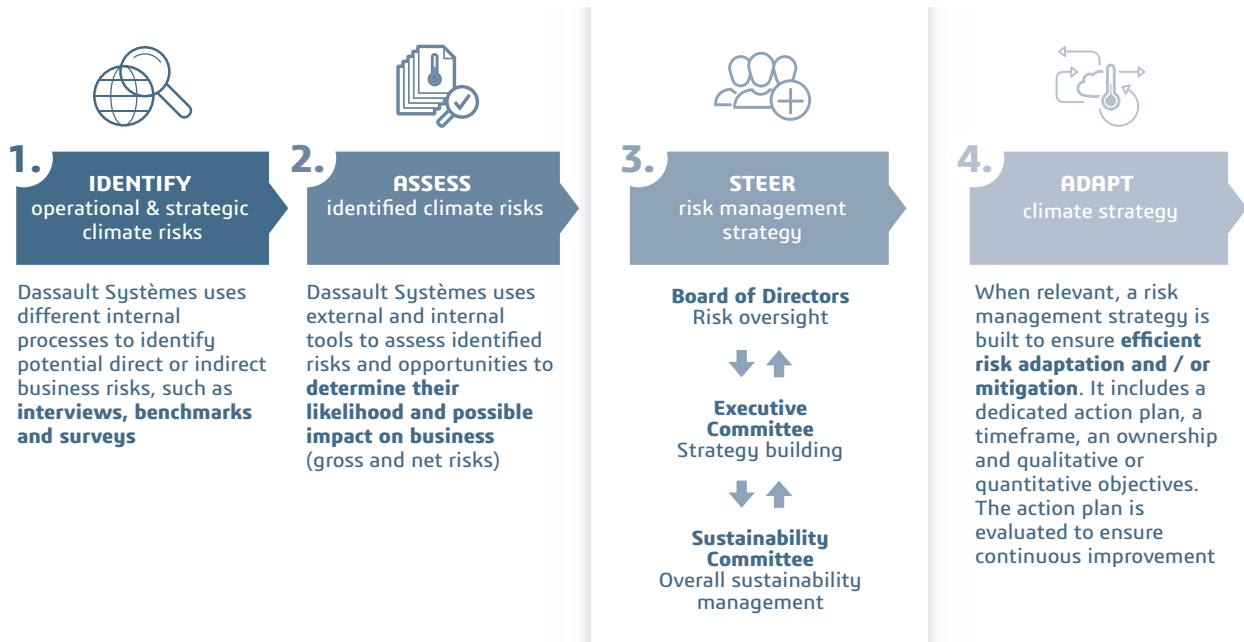
Similarly, for the assessment of Dassault Systèmes' exposure and vulnerability to the challenges of the transition to a sustainable economy, the short-, medium-, and long-term horizons are set at 2030, 2040, and 2050, respectively, as suggested by the TCFD methodological framework.

### Dassault Systèmes' processes for managing climate-related risks

Every identified possible high risk is reported to the Sustainability Committee and the Finance department and, if relevant, an internal study is performed to better evaluate its potential impact, the possible actions to mitigate it and the investment it could represent. Then, the Sustainability Committee, in accordance with any other relevant internal organization, defines the strategy to secure Dassault Systèmes' resilience. Then, the Zero Carbon Team ensures that the selected action plan is launched, followed and analyzed for continuous improvement.

## Integration of climate-related processes in Dassault Systèmes' overall risk management

Climate risk management is integrated into our corporate risk management framework as follows:



## 2.5.4 Monitoring Progress: Climate Metrics and Targets

### Metrics used to assess climate-related risks and opportunities

As the primary climate risk we have identified relates to the Company not managing its own carbon footprint in line with regulations and stakeholder expectations, we track closely the breakdown of our greenhouse gas emissions (in tCO<sub>2</sub>-eq), and follow action plans established in particular in accordance with our SBTi pathway.

On the opportunity side, Dassault Systèmes believes that the climate transition risk will trigger a massive transformation of the offer, the business model and operations of its customers, and therefore an opportunity to accelerate the deployment of digital technologies and solutions based on virtual twins and sustainable lifecycle data intelligence that will help them to innovate in a more sustainable manner. As such, the key climate opportunity-related metric we track is our performance relative to the EU Taxonomy (see paragraphs 1.8 “Environmental, Social and Governance Performance” and 2.7 “Environmental, Social and Governance Metrics” for more details).

We also plan to follow in 2022 secondary indicators, such as:

- for physical risks, the number of workplaces and data centers exposed to a high risk level, and their possible mitigation plans;
- for transition risks, the potential financial impact of any future carbon pricing and the independent ESG rankings and ratings.

### Scopes 1, 2 & 3 GHG emissions and related risks

To analyze our carbon footprint, we use the Greenhouse Gas Protocol. This assessment of our greenhouse gas emissions includes:

- direct emissions of Scope 1, related to natural gas, use of refrigerants, fuel for generators and company cars;
- indirect emissions from energy consumption of Scope 2, related to electricity and urban heating and cooling network;
- and some other indirect emissions (Scope 3) related to:

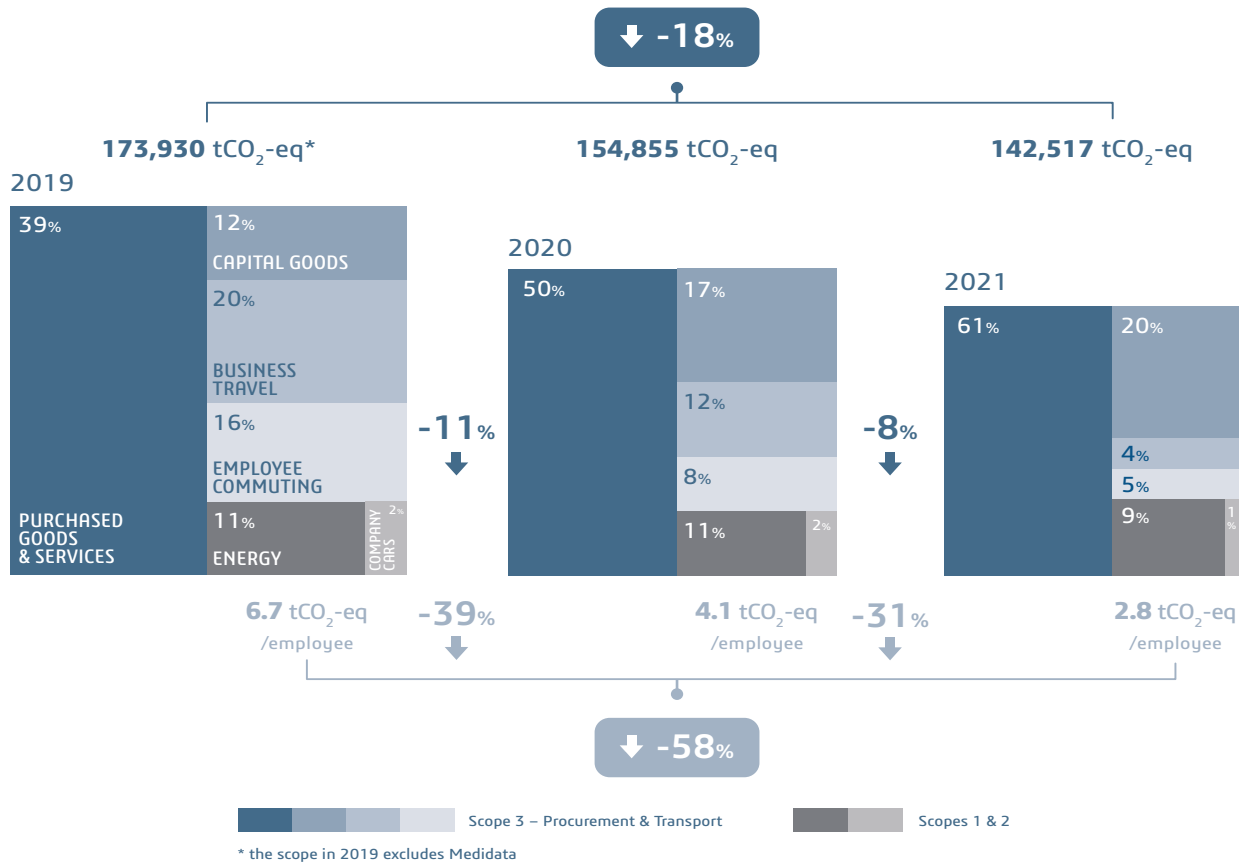
- business travels required to maintain our relations with our customers and partners,
- employee commuting,
- purchased goods and services, mainly consisting in fees for consulting and other intellectual services, subcontracting, communications, insurance services, bank charges and other services required for our activities,
- capital goods, mainly consisting of desktops, laptop computers and servers,
- recycling of electric and electronic waste.

The use of our solutions involves energy consumption by our customers, which varies according to the application and

utilization time. We have defined a methodology to estimate associated greenhouse gas emissions based on the number of users, the average consumption per user and emission factors. Moreover, Dassault Systèmes' applications have different impacts, depending on industry segments, customers and users. In that sense, a case-by-case assessment of the reduction in greenhouse gas emissions from the use of the 3DEXPERIENCE platform would appear more relevant (see paragraph 2.5.2 "Driving Action: Climate Strategy").

The uncertainty factor is very high, mainly due to the use of monetary ratios, energy emission factors, estimated distances travelled, number of users and associated average consumption. Thus, these estimates must be considered as an order of magnitude.

› Carbon Footprint & Intensity



As part of the Climate-related risk assessment carried in 2021, we also plan to consider potential risks, such as:

- for Scope 1, the establishment of a carbon tax on company cars, refrigerants or energy source such as natural gas or fuel;
- for Scope 2, the availability and the price volatility of Electricity Attributes Certificates (EACs), such as Renewable Electricity Certificates (RECs) or Guarantee of

Origins (GOs), that could impact our ability to reduce our GHG emissions;

- for Scope 3, the establishment of a carbon tax on business travels, on employee commuting or on the emissions related to the use of goods sold.

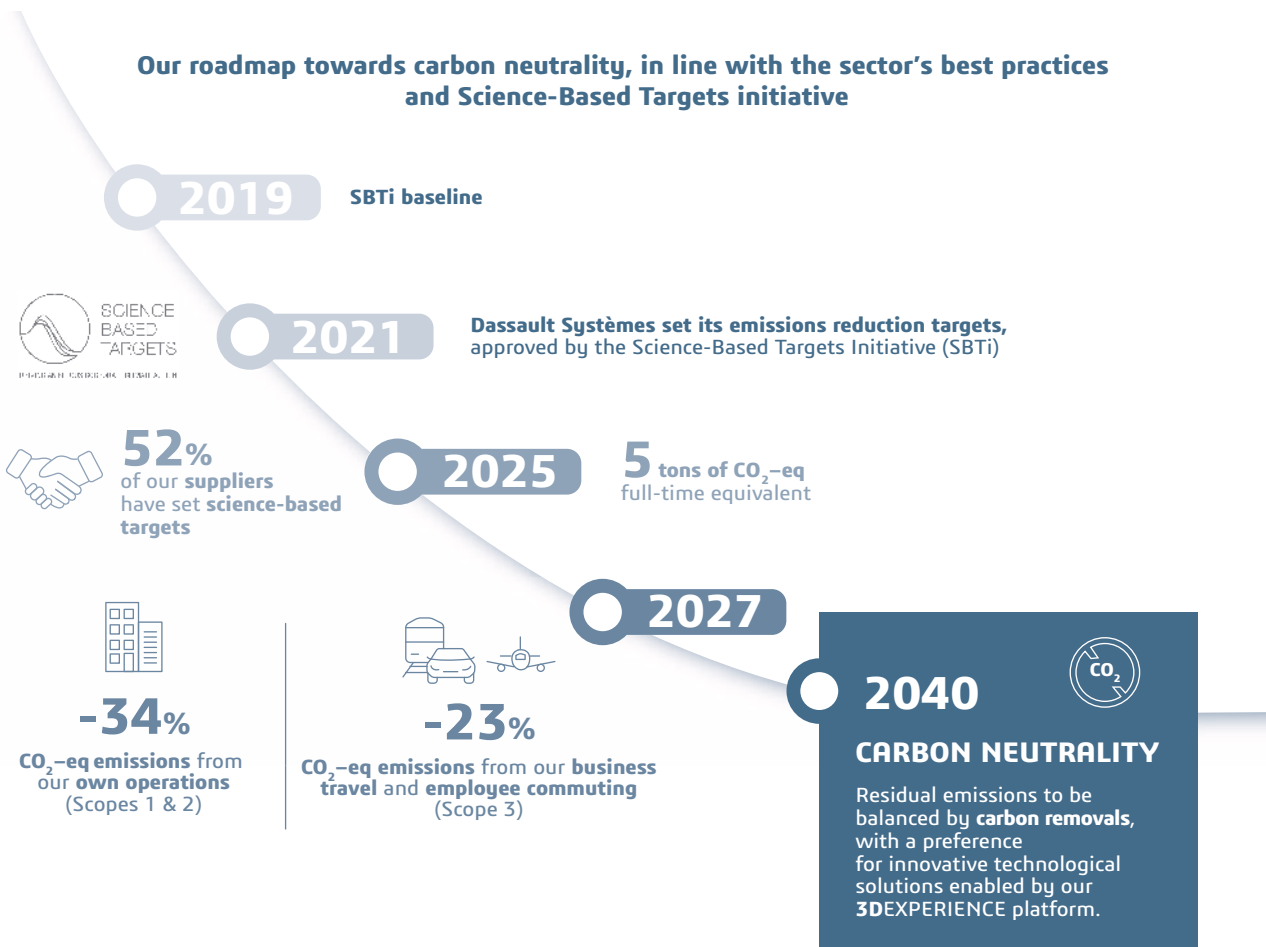
Environmental indicators are detailed in paragraph 2.7 "Environmental, Social and Governance Metrics".

## Dassault Systèmes' targets to manage climate-related risks and opportunities

In terms of target setting, the Company has set clear targets for both climate risks and opportunities within its 2025 *Sustainability Compass*, notably:

- Science-Based targets to manage greenhouse gas emissions reductions and associated risks: our targets were approved by the Science-Based Targets initiative:

### › Our Climate Ambition



- a target to generate two third of new licenses revenues from the sale of Sustainable Solutions by 2025: this target helps incentivize the entire organization to focus and develop business opportunities linked to the decarbonization of the global economy. Sustainable Solutions are defined as solutions having a positive impact on the Sustainable Development Goals as defined by the United Nations. This indicator represents the percentage of eligible revenue from new licenses generated on the EU Taxonomy scope, targeting exclusively the environmental impact, to which is added the revenue generated by the Life Sciences activities contributing to the Good Health and Well-being objective, and by the activities contributing to the Quality

Education objective, as defined by the United Nations. The EU Taxonomy methodology currently excludes several sectors such as aeronautics, consumer products, energy and raw materials, as detailed in paragraph 2.8.3 «EU Taxonomy Indicators Methodology», even though the solutions developed by Dassault Systèmes also have an environmental contribution in these sectors. However, this indicator does not currently take this contribution into account. The new licenses revenue is calculated as the total revenue from new licenses, plus the incremental revenue of licenses sold in the form of subscriptions, see paragraph 3.1.2.2 'Composition of the main items in the income statement', of the year (non-IFRS data).

Dassault Systèmes also set additional 'sub-targets' such as:

- extend the ISO 50001 certification to 10 additional sites in 2022 and equip at least 15 sites with smart monitoring electricity sensors;
- purchase 90% of renewable electricity by 2025;
- reduce GHG emissions related to energy consumption by 34% by 2027 compared to 2019;
- improve electronic waste recycling reporting perimeter and considering four treatment methods (reused, recycled, dismantled, incinerated);
- pursue the training of key IT managers on green IT;
- deploy our Life Cycle Assessment solutions in at least three new Industry offers in 2022.

All these targets and our performance against them are presented in paragraph 2.7 "Environmental, Social and Governance Metrics".

## 2.6 Business Ethics and Vigilance Plan

### 2.6.1 Promoting Strong Business Ethics

Compliance with the rules of ethics and international standards is an integral part of the purpose of Dassault Systèmes, which is "to imagine sustainable innovations capable of harmonizing products, nature and life."

Since its creation, the Company has developed its culture and built its reputation on different fundamental principles, particularly the creation of long-term relationships with its stakeholders – employees, customers, partners, shareholders, regulatory bodies and government agencies – as well as developing high-quality products with high added-value. Confidence and integrity, supported by rigorous ethics and regulatory compliance, are at the heart of Dassault Systèmes' commitments for sustainable and ethical growth.

The Company's commitment concerning business ethics and corporate social responsibility is asserted through:

- rules applicable to all its employees;
- an ethics and compliance governance system;
- employee awareness-raising and training;
- business partners awareness-raising and selection.

#### Rules of ethics and compliance applicable within Dassault Systèmes

Dassault Systèmes' business ethics rules are formalized in corporate governance policies and procedures, in particular through its Code of Business Conduct, introduced in 2004, and its Corporate Social Responsibility Principles.

#### Code of Business Conduct

This Code describes the manner in which the Company expects its business to be conducted. It addresses issues including: (i) compliance with regulations applicable to Dassault Systèmes' businesses; (ii) individual interactions within the Company and with its ecosystem and; (iii) protecting

the Company's assets (in particular, Dassault Systèmes' intellectual property and that of its customers and partners). The Code also includes specific policies on the fight against corruption and influence-peddling, personal data protection, conflicts of interest and protection of confidential information including insider information (see paragraph 2.6.2 "Striving for Transparent Business Relations").

In 2020, the new version of the Code of Business Conduct was rolled out within the Company following the review and update process carried out in 2019 to take account of the new rules regarding the fight against corruption (French *Sapin 2* Law) and personal data protection (GDPR). This Code also includes references to Company policies applicable in terms of social responsibility and business ethics.

#### Corporate Social Responsibility Principles

The Corporate Social Responsibility Principles are based upon international standards – also referred to in the Code of Business Conduct – relative to human and social rights and the protection of the environment, as laid down in the United Nations International Bill of Human Rights, the International Convention on the Rights of the Child, the OECD Guidelines for Multinational Enterprises and the Fundamental Conventions of the International Labor Organization.

These Principles provide for the following:

- prohibiting the employment of school-aged children (and in any event those under 15 years of age), banning forced labor and other forms of modern slavery as well as all forms of discrimination (in recruitment as well as career development and employment termination);
- providing satisfactory working conditions guarantees to preserve employee health and safety;



- complying with minimum legal and regulatory requirements concerning pay, freedom of association and the protection of labor union rights and the right to collective bargaining;
- ensuring zero tolerance for corruption and influence peddling;
- complying with regulations relating to the protection of personal data and the protection of the environment.

The Code of Business Conduct and the Corporate Social Responsibility Principles are available on the Company's website (<https://www.3ds.com/about-3ds/what-drives-us/ethics-compliance>) and on its internal platform.

They serve as a reference for Dassault Systèmes employees, to guide their behavior and interactions in their daily business activities. They also strive to inspire the Company's partners and suppliers (see paragraph 2.6.4 "Committing to Ensure Respect for Human Rights and Fundamental Freedoms").

### Dassault Systèmes' ethics and compliance governance system

Dassault Systèmes' ethics and compliance governance system relies on an Ethics Committee and a Business Ethics and Compliance department.

They deal with all investigations relating to ethics and compliance, particularly those dealing with breaches of the rules laid down by the Code of Business Conduct. They particularly focus on the rules for the protection of intellectual property, confidentiality, anti-corruption, fraud and conflicts of interest, compliance with rules regarding competition and the control of exports, personal data protection, IT security, ethics in work relationships, particularly the fight against discrimination and harassment, the use of social media and networks.

### The Ethics Committee

The Company's Ethics Committee meets once a month. It is composed of the Company's General Secretary, the Executive Vice President, Chief People & Information Officer, the General Counsel, the Internal Audit Director, the CEO's Chief of Staff and the Director of the Business Ethics and Compliance department.

The Committee ensures that employees comply with the rules laid down in the Code of Business Conduct. It is tasked with investigating any alleged breaches brought to its attention, in particular through the Company's whistleblowing procedure.

In 2021, the Ethics Committee examined 31 cases opened due to suspected non-compliance. Inquiries were conducted into all of these cases. 45% of them were found to have involved breaches of Dassault Systèmes' Code of Business Conduct; the Company took remediation and disciplinary actions – including dismissals – in 100% of these cases.

### The Business Ethics and Compliance department

This department reports to the Legal Affairs Division of Dassault Systèmes.

Its role is to define and implement Dassault Systèmes' ethics and compliance program in coordination with the Ethics Committee. It is tasked with the following, in coordination with other Company departments:

- promoting a culture of integrity within the Group, in particular by ensuring that employees are adequately trained and informed;
- assessing Dassault Systèmes' ethics and compliance risks and preventing them;
- conducting investigations in order to deal with the breaches that arise, or help the local teams to do so;
- assessing the ethics and compliance procedures and putting forward proposals to the Ethics Committee concerning any upgrade to Dassault Systèmes' ethics and compliance program.

Its mission is to ensure the implementation and respect of the Code of Business Conduct of Dassault Systèmes, as well as the specific Dassault Systèmes policies, recommendations and procedures regarding ethics and compliance.

The Business Ethics and Compliance departments systematically assesses and investigates all the alerts it receives, in particular through the whistleblowing procedure. This gives rise to the opening of formal investigations by the Business Ethics and Compliance department, which are then submitted to the Ethics Committee.

### Employee awareness-raising and training

Employee awareness-raising and training are an essential pillar of the Company's commitment in terms of ethics and compliance.

A mandatory online training course "Understanding the Rules of Ethics and Compliance" thus forms an integral part of the onboarding program for all new employees. This training, available in eleven languages, includes a theoretical section followed by practical applications in the form of questions and answers for each subject dealt with, and particularly:

- ethics in the workplace with a focus on potential harassment and discrimination situations;
- the fight against corruption;
- protection of intellectual property;
- personal data protection;
- respect for confidentiality;
- compliance with competition law;
- respect of export controls and international regulation;
- IT security;
- prevention of conflicts of interest, etc.

As of December 31, 2021, a total of 17,085 employees (representing 98.8% of the basic workforce) had attended this general training course, compared to 16,434 (representing 98.4% of the workforce) on December 31, 2020.

Employee awareness is also raised through presentations at seminars within the Company, training in person or via webinars on specific subjects, regular articles and the dissemination of educational videos on the Company's internal platform communities. In 2021, two videos on the whistleblowing procedure and the fight against corruption were distributed via this platform.

In 2021, the Company also developed two online training courses to be rolled out at the beginning of 2022: one mandatory annual course for all employees on the themes of the 2020 Code of Business Conduct; and the second on situations and forms of discrimination and harassment (see paragraphs 2.6.4 "Committing to Ensure Respect for Human Rights and Fundamental Freedoms" and 2.6.5 "Maintaining an Appropriate Vigilance Plan").

## 2.6.2 Striving for Transparent Business Relations

In addition to promoting strong business ethics, Dassault Systèmes asserts its commitment to sustainable, ethical growth through its anti-corruption program.

### The fight against corruption

The Code of Business Conduct is the main pillar of the Company's anti-corruption program. It reiterates the Company's zero-tolerance policy regarding corruption and influence peddling, including bribes and facilitation payments, irrespective of local customs or commercial pressure, even if this results in the loss of business opportunities.

Accordingly, the Company's employees must remain vigilant and comply with applicable laws and regulations. They must never, either directly or indirectly, encourage, offer, attempt to offer, authorize, promise or accept any form of advantage (e.g. payments, gifts, bribes or kickbacks) to obtain or retain a contract or to secure any improper advantage, even if they think they are acting in the best interest of the Company.

Examples:

- gifts and invitations must be of reasonable amounts, as defined in the Anti-Corruption Policy. They must be compatible with local customs and practices and comply with applicable laws. They must be appropriate and must not include items that are likely to harm the reputation of the Company in the event of their public disclosure;
- Dassault Systèmes makes no political contributions and provides no advantages with the aim of promoting or supporting a particular political party or public official. The Company's employees are prohibited from using any Company resources to provide any advantage to political parties or public officials.

In 2021, Dassault Systèmes developed a tool on the **3DEXPERIENCE** platform to improve the management of authorization requests for gifts and invitations above the thresholds set by the anti-corruption policy.

The provisions of the Code of Business Conduct relating to the fight against corruption are supplemented with the following policies and procedures, all made available to employees on the Company's internal platform:

- a "Dassault Systèmes Anti-corruption Policy" (updated in December 2017 and July 2019, available on the Dassault Systèmes website <https://www.3ds.com/fr/about-3ds/what-drives-us/ethics-compliance>);
- the "Dassault Systèmes Guidelines for dealing with Intermediaries" (June 2017);
- the "Dassault Systèmes Guidelines on Conflicts of Interests" (April 2017);
- a "Dassault Systèmes Internal Whistleblowing Procedure" (updated in December 2017).

As of December 31, 2021, a total of 17,006 employees (representing 98.4% of the basic workforce), compared to 16,317 (representing 97.7%) on December 31, 2020, had received training via a module dedicated to the fight against corruption "Understanding anti-corruption principles."

The Company's program for corruption prevention is based not only on these policies, guidelines, whistleblowing procedure, communications and employee awareness/training programs, but also on:

- the Business Ethics and Compliance department, whose annual action plan is subject to validation by the Board of Directors of Dassault Systèmes;
- a specific corruption and influence peddling risks mapping, periodically updated, in line with the Company's activities, and also subject to validation by the Board of Directors of Dassault Systèmes;
- an internal control and audit system;
- stringent operational processes;
- a community of Compliance Ambassadors (currently 31) composed of legal, financial and operational experts who provide support to the Business Ethics and Compliance department in the Company's local entities.

The risks of corruption and influence peddling arising from the Company's business model include the following:

- its reliance on intermediaries (distributors, agents and system integrators). Such intermediaries are independent third parties and are fully liable for their actions, but the Company could, in certain circumstances (negligence or willful blindness), be held liable in the event such intermediaries were to make illicit payments to generate revenue;
- trading directly or indirectly with clients deemed in "higher risk countries" and/or qualified as "public officials".

Dassault Systèmes systematically manages these risks through the policies, procedures and training courses described above. In the context of the process of permanent improvement of its various tools to fight against corruption, the Company has strengthened its policy of applying reasonable diligence in the selection of intermediaries, through additional processes including a self-administered questionnaire, reputational checks via compliance databases, the verification of the services performed by the agents and the approval

of the Business Ethics and Compliance department on their selection. Accounting controls are also carried out by the dedicated teams. Moreover, the Internal Audit department may implement specific checks as part of the evaluation of Internal Control or ad hoc audits in order to prevent or detect possible cases of fraud or non-compliance with the Company's rules and procedures.

The Company's anti-corruption training course includes raising the awareness of its employees on the risks of dealing with public officials. For example, the Company's rules concerning gifts and invitations are stricter for public officials. Moreover, in certain countries with higher risks of corruption, Dassault Systèmes' distributors are specifically made aware of the Company's policies and "zero tolerance" rules concerning corruption through on-site training.

Lastly, Dassault Systèmes measures the performance of its anti-corruption program through key performance indicators that cover its mandatory training courses' implementation rate (see above).

### 2.6.3 Committing to a Responsible and Transparent Tax Policy

Dassault Systèmes's commitment to ethical and sustainable growth is supported by a transparent and responsible tax policy in all countries where the Company operates. In line with this commitment to an ethical and sustainable growth, the Company's tax policy relies on three key principles: Tax compliance, Tax transparency, and Tax responsibility.

#### Tax policy

Dassault Systèmes tax policy is defined according to applicable regulations, notably the principles found in European legislations and recommendations from the Organisation for Economic Co-operation and Development (OECD), and it is implemented in accordance with the Company's business and operational objectives.

#### Tax Compliance – Dassault Systèmes complies with tax regulations

The Company prepares and files all required tax returns and pays all taxes accordingly. It also provides accurate and timely disclosures to all relevant tax authorities.

Dassault Systèmes applies the arm's length principle consistently across the business (contingent on local laws), defining prices in line with guidelines issued by the OECD.

The Company ensures that it complies with local tax regulations wherever it operates, by monitoring regulatory changes and

the possible technical divergences that may arise from their interpretation. It also complies with its Annual Reporting obligations on a country-by-country basis. It also ensures that all taxes are properly assessed and paid in all the countries where they are due.

The Company benefits from tax incentives offered by Government authorities to support investment including in R&D, employment and economic development. They are implemented according to the relevant legislations and regulations, and are aligned with Dassault Systèmes' business and operational objectives.

#### Tax Transparency – Dassault Systèmes is open and transparent with tax authorities

The Company seeks, whenever possible, to develop cooperative relationships with tax authorities, based on mutual respect, transparency and trust. On occasion, local tax authorities may challenge the Company's positions in the course of tax audits, particularly in instances where there is divergent interpretation of local or international tax provisions. In such cases, Dassault Systèmes may opt for litigation when that approach is considered to be justified.

In case of doubt about an applicable tax treatment, the Company may seek rulings from tax authorities. Hence, Dassault Systèmes can request Advance Price Arrangements on an appropriate transfer pricing methodology.

On a voluntary basis, Dassault Systèmes entered in 2019 into the International Compliance Assurance Programme (ICAP), an OECD pilot program in which taxpayers and tax administrations work cooperatively and multilaterally to review international tax practices of participating companies in order to assess their level of tax risk. Dassault Systèmes is the first French company entering this programme. The outcome of Dassault Systèmes' participation to the ICAP is positive and contributed to increase the cooperation and transparency with the different tax authorities involved in the process. Most participating authorities validated Dassault Systèmes' transfer pricing policy which should secure future tax audits. The effective IFRS Group tax rate amounts to 23% in 2021 and reflects an overall income tax expense of 230 million euros, 43% higher than 2020.

Furthermore, the Company participates in several OECD working groups and some national initiatives.

#### **Tax Responsibility – Dassault Systèmes is committed to having a responsible tax policy**

Through its legal entities, the Company's business is operated according to commercial and business considerations, with the required economic substance.

Dassault Systèmes does not have any non-operational legal entities in Non-Cooperative Countries and Territories (tax heavens) as defined by French and European Union tax laws, and is committed to continue this principle.

In the context of its external growth, the Company performs thorough tax due diligence and might seek to change practices that are not aligned with the tax policy outlined herein.

Dassault Systèmes neither encourages nor promotes tax evasion.

#### **Tax organization and governance**

A dedicated team of skilled tax professionals with extensive knowledge and expertise of international tax matters (the "Tax department") has the mission to support all Company's entities and functions in all matters that could have a tax impact. The tax department participates regularly to internal and external trainings, notably on tax matters. The Tax department also provides training to different stakeholders of the Company, keeping them aware of any new tax regulations and of Dassault Systèmes' general Tax policy.

The Vice President Group Tax reports to the Executive Vice-President, Chief Financial Officer and supervises directly all Tax team members of the Company located in Europe, in Asia, and in Americas in order to ensure a better consideration of local tax environment and regulations.

The Sustainability Committee approved Dassault Systèmes' global Tax policy in 2021. At least once a year, the Vice President Group Tax presents strategic tax topics to the Audit Committee.

Dassault Systèmes Tax department aims to develop close relationships with its businesses partners to provide clear, relevant and timely guidance on tax matters, including identification of tax risks and opportunities, if any. It also relies on external tax advice if needed. The Tax department is involved in strategic operations, including acquisitions, from planning to implementation to ensure that appropriate tax treatment is consistently applied and tax exposure are managed. The Tax department also establishes all necessary processes and controls to ensure the proper implementation of Dassault Systèmes' Tax policy.

## **2.6.4 Committing to Ensure Respect for Human Rights and Fundamental Freedoms**

### **The founding principles**

Dassault Systèmes' commitment to sustainable and ethical growth rests on the fundamental value of respect for Human Rights and Fundamental Freedoms.

Dassault Systèmes' commitments in this regard are formalized in the Corporate Social Responsibility (CSR) Principles, available on the Dassault Systèmes website (<https://www.3ds.com/fileadmin/COMPANY/Ethics-and-compliance/CSR-Principles-ENG-27-11-2018.pdf>). They were strengthened in the new version of the Code of Business Conduct rolled out in 2020. This Code reasserts that Dassault Systèmes is committed to providing a work environment which is free from any form of discrimination, harassment or intimidation and to ensuring that its employees, clients and partners are treated in a respectful way at all times. Moreover, in 2021, Dassault Systèmes, similarly to previous years, approved within the Board of Directors and published a statement of the measures

it has taken to combat modern slavery and human trafficking, as required by the UK's Modern Slavery Act.

### **Our approach to customers, partners and suppliers**

Dassault Systèmes also promotes corporate social responsibility within its ecosystem, as its suppliers and partners are required to abide by these CSR Principles. These Principles are now made available to our partners via the **3DEXPERIENCE** platform that is dedicated to them. With regard to suppliers, these Principles are integrated and reinforced through the "3DS Sustainable Charter with Suppliers". Most Dassault Systèmes companies' standard contracts and general purchasing terms and conditions thus provide for the right to immediately terminate the contract in the event of a supplier's breach of any of these Principles. The Company continues the roll-out of the "3DS Sustainable Charter with Suppliers" in all its contracts (see paragraphs 2.5.2 "Driving Action: Climate

Strategy” and 2.6.5 “Maintaining an Appropriate Vigilance Plan”).

In addition to strictly complying with applicable sanctions and export control regulations, Dassault Systèmes has defined, in line with its purpose to enable sustainable innovation, an Acceptable Use Policy (the 3DS Acceptable Use Policy) identifying activities that it does not believe its solutions should enable moving forward. Per 3DS Acceptable Use Policy, Dassault Systèmes will not, in four sectors, engage with new customers meeting certain criteria and/or develop dedicated products or services. These sectors are the following: thermal coal, tobacco (including e-cigarette production), “universally prohibited” weapons, oil & gas when no public commitment to reduce carbon emissions was made.

### Our Approach within Dassault Systèmes

In order to manage and mitigate risks of non-compliance regarding Human Rights and Fundamental Freedoms, Dassault Systèmes relies on its mandatory online training course “*Understanding ethics and compliance rules*,” as well as its internal global whistleblowing procedure and, where applicable, local grievances procedures. This procedure enables Dassault Systèmes employees to report any risk of serious violation of Human Rights or Fundamental Freedoms.

At Dassault Systèmes, the goal is to prevent risks of discrimination or moral or sexual harassment, and to ensure working conditions that preserve people’s health and safety (see also paragraphs 2.3.3 “Preserving Health, Safety and

Well-Being at Work” and 2.3.5 “Promoting Diversity and Inclusion”).

Following the review conducted in 2020, in each of the countries in which the Company operates, to ensure compliance with its practices in terms of the fight against discrimination and harassment, in 2021 Dassault Systèmes prepared an on-line training session concerning various situations and forms of discrimination and harassment. This training has been rolled out initially in 18 countries not yet covered, where it is mandatory or highly recommended. In 2022, the Company will expand this roll-out to other countries (see the paragraph “2.6.5 Maintaining an Appropriate Vigilance Plan”).

In addition, the banning of discrimination or harassment is part of the Company’s internal policies and procedures, particularly concerning recruitment processes and managerial training. The new version of the Code of Business Conduct includes clear definitions of harassment and discrimination, along with examples. Furthermore, the Company implements a policy of inclusion for persons with disabilities and develops a certain number of initiatives on questions relating to gender equality issues (see paragraphs 2.3.5 “Promoting Diversity and Inclusion” and “5.1.7.5 Gender Equality within the Executive Team and Top Positions of Responsibility”).

Dassault Systèmes measures its Human Rights and Fundamental Freedoms performance through key performance indicators including the rate of participation in its mandatory online training course “*Understanding Ethics and Compliance Rules*,” as well as the percentage of cases examined by the Ethics Committee in this regard (see paragraph 2.6.1 “Promoting Strong Business Ethics”).

## 2.6.5 Maintaining an Appropriate Vigilance Plan

Dassault Systèmes is committed to conducting its activities in compliance with the laws of the countries in which it operates and in accordance with international standards.

In accordance with the French Law of March 27, 2017 on the duty of vigilance of parent companies and contracting undertakings, Dassault Systèmes has set up a vigilance plan (the “Plan”) covering the following three areas: Human Rights and Fundamental Freedoms, the health and safety of persons and the environment (the “Areas”). The content of the Company’s Plan meets five obligations foreseen by law:

- the establishment of risk mapping;
- assessments of the sphere of influence, and particularly of suppliers;
- measures to prevent and attenuate the risks identified in the mapping;
- a whistleblowing procedure;

- and a mechanism for monitoring the measures and assessing their effectiveness.

Measures of vigilance, adapted and proportionate to the risk profile of Dassault Systèmes, may be implemented in the short and medium term.

The vigilance of Dassault Systèmes is also exercised through its recurrent and continuous actions linked to:

- deepening the knowledge of its employees, such as (i) monitoring and updating online training courses pertaining to ethics, compliance and security, crisis management, environmental responsibility and (ii) posts published on its internal platform;
- the whistleblowing procedure of Dassault Systèmes;
- the use of specialized due diligence databases for the detection of risky situations;

- the check points put in place by the internal audit.

The Plan is implemented by the Company's various stakeholders, i.e. mainly the Procurement department, Internal Audit department and Human Resources department. It is monitored by a Steering Committee composed of members of these departments and of the Business Ethics and Compliance department.

### Report on the implementation of the 2021 Plan

For 2021, the Plan consisted of some measures to be implemented in the short and medium terms within a structured process. The year's major accomplishments are the following:

- health has remained a major focus of the Plan due to the health crisis. In 2021, the Company continued the preparation of a health policy and of a charter of commitments on this subject, and issued recommendations concerning vaccination against COVID-19 in the workplace. A health section has been added to the tool for the assessment of the security and safety levels of the risks at Dassault Systèmes sites. Actions to raise awareness of these issues among the Company's site managers were carried out (see also paragraph 2.3.3 "Preserving Health, Safety and Well-Being at Work");
- in the area of anti-discrimination and anti-harassment, Dassault Systèmes has developed an online training course for roll-out in early 2022 in 18 priority countries (see paragraph 2.6.4 "Committing to Ensure Respect for Human Rights and Fundamental Freedoms");
- Dassault Systèmes' internal whistleblowing procedure has been reviewed to verify its compliance with Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law (whistleblowers) coming into force at the end of 2021. The review will continue in 2022 as the EU Directive is transposed into the law of the countries in which Dassault Systèmes operates. In addition, the roll-out of this procedure was monitored by the teams of the Ethics and Compliance Department and a video to raise awareness of its use was published on the Company's internal community dedicated to ethics and compliance;
- the roll-out of the "3DS Sustainable Charter with Suppliers" continued (see paragraphs 2.5.2 "Driving Action: Climate Strategy – Supply Chain" and 2.6.4 "Committing to Ensure Respect for Human Rights and Fundamental Freedoms");
- the updated Corporate Social Responsibility Principles have continued to be rolled out within the Group; as of December 31, 2021, this policy and the whistleblowing procedure were available in 17 languages on the internal

community dedicated to Ethics and Compliance, of which all employees are members;

- the initiatives introduced in the area of the environment continued (see paragraphs 2.1 "Sustainability Governance" and 2.5.2 "Driving Action: Climate Strategy").

The Steering Committee met four times in 2021. It updated the mapping of the risks of the Company's duty of vigilance, taking into account its knowledge of the situation of the Group.

### 2022 Vigilance Plan

The risk assessment, and more specifically the assessment conducted globally in 2020 and reviewed in 2021 by the Steering Committee, revealed the limited nature of the risks of serious harm in the three areas of the duty of vigilance, which could be the result of the Company's activities or business model (see Chapter 1 "Presentation of the Company") or those of its suppliers or subcontractors. Indeed, due to their almost intangible nature, software publishing activities involve almost no assembly of products from a supply chain. However, Dassault Systèmes uses this mapping to strengthen its approach to "responsible procurement" (see paragraph 2.5.2 "Driving Action: Climate Strategy").

In 2022, the measures of the Plan continue to address the risks identified in the mapping, and particularly the following:

- monitoring of the changes brought about by the draft European Directive on the duty of due diligence of companies and legislation related to human rights in the world (Australian Modern Slavery Act, German Supply Chain Act, etc.) and reflection on the areas of development of the Company's best practices in this area;
- the continued development of a health policy and a charter of commitments in this area and the raising of awareness of health and safety risks among the Company's site managers. In early 2022, we established a partnership with the association Cancer@Work and we will conduct a campaign to raise awareness among employees of essential first-aid measures;
- the fight against discrimination and harassment: in 2022, we will continue the roll-out of training sessions on this subject in the countries in which the Company operates;
- the review of the whistleblowing procedure so as to verify its compliance with the transposing into national law of European Directive 2019/1937 on the protection of whistleblowers and, if required, with local laws applicable in terms of the fight against discrimination and harassment;
- the continued roll-out of the 3DS Sustainable Charter with Suppliers via the clauses of the Company's standard contracts.

## 2.7 Environmental, Social and Governance Metrics

### 2.7.1 Environmental, Social and Governance Performance Metrics

#### **Sustainability Compass**

Dassault Systèmes' sustainability strategy for 2025 (see Chapter 2 "Social, Societal and Environmental Responsibility") is summarized within the *Sustainability Compass*. Announced in early 2021, it defines measurable quantitative targets for each of three strategic pillars:

- *Experience the Change* (Sustainable Operations);
- *Harmonize the Portfolio* (Sustainable Solutions);
- *Collaborate with Stakeholders* (Sustainable Collaborations).

Progress against these targets is reviewed regularly by the Sustainability Committee, the Operations Executive Committee and with Ms. Toshiko Mori, the lead director for sustainability matters within Dassault Systèmes' Board of Directors.

The Board of Directors has included an ESG indicator in the performance criteria triggering payment of the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, and of the members of the Operations Executive Committee (see paragraphs 5.1.3.2 "Compensation of the Chief Executive officer" and 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)"). This indicator is based on four criteria relating to employee engagement, the proportion of women in senior management positions, our Sustainable

Solutions portfolio and our carbon emissions. These criteria, and the associated objectives, are reviewed annually to be aligned with Dassault Systèmes' ESG strategy for the 2025 horizon, as defined in the *Sustainability Compass* objectives.



SCIENCE  
BASED  
TARGETS

#### DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

On top of our internal carbon footprint objective of reaching 5 tCO<sub>2</sub>-eq per full-time equivalent in 2025 including the Scopes 1 and 2 as well as the purchase of capital goods, the business travels and the employee commuting, Dassault Systèmes has developed a more comprehensive reduction plan for greenhouse gas (GHG) emissions that was approved by the Science-Based Targets initiative as being aligned with a 1.5-degree pathway (Scopes 1 & 2) and with current best practice (Scope 3). They apply to 2025 or 2027 horizon depending the scope.

The table below shows the key metrics and targets of Dassault Systèmes' *Sustainability Compass*, grouped and presented under each of our three pillars:

		2021	2020	2019 <sup>(1)</sup>	Objective 2025/2027 <sup>(1)</sup>
	Workforce in-scope <sup>(2)</sup>	Values			
<b>EXPERIENCE THE CHANGE</b>					
Carbon intensity - in tCO <sub>2</sub> -eq/full-time equivalent <sup>(3)</sup>	95%	2.8	4.1	6.7	5
Scopes 1 & 2 GHG emissions <sup>(4)</sup>	86%	14,164	19,960	22,979	(34%) <sup>(5)</sup>
Scope 3 GHG emissions <sup>(6)</sup>	98%	12,841	30,313	61,609	(23%) <sup>(5)</sup>
Women in the Executive team	100%	38.5%	38.5%	22.2%	40%
Women among People Managers	100%	21.2%	20.7%	18.8%	30%
Employees trained on ethics and compliance <sup>(7)</sup>	83.7%	98.6%	98.2%	96.9%	95%
Employee pride and satisfaction <sup>(8)</sup>	96.7%	79.8%	82.5%	78%	85%
<b>HARMONIZE OUR PORTFOLIO</b>					
% of new license revenue from Sustainable Solutions <sup>(9)</sup>	-	72%	-	-	67%
Life Cycle Assessment integrated in 3DEXPERIENCE by 2022	-	-	-	-	Integrated
<b>COLLABORATE WITH STAKEHOLDERS</b>					
Engaged Stakeholders <sup>(10)</sup>	-	830	-	-	5 000
Annual sustainable innovation Event	-	1	-	-	1/year

(1) The carbon emission figures mentioned for 2019 as well as for 2025 or 2027 objectives do not include Medidata. In 2022, Dassault Systèmes will include Medidata in both 2019 baseline and objectives.

(2) The scope refers to total headcount excluding companies or countries as detailed in paragraph "2.8 Reporting Methodology".

(3) Carbon intensity includes Scopes 1, 2 and 3 greenhouse gas emissions excluding emissions related to the use of our solutions by our customers as well as emissions related to purchased goods and services, in relation to the average headcount in scope. The objective of the carbon intensity is with a horizon 2025 and corresponds to a decrease of 38% of the Group's carbon intensity compared to 2018. Although they are part of the same pathway, the SBTi objectives cover a more exhaustive scope.

(4) Scope 1 emissions are direct emissions from operations (e.g. car fleets) and Scope 2 emissions are from energy purchasing primarily.

(5) In accordance with the Science-Based Targets initiative, this objective was set with a horizon of 2027, using the year 2019 as a reference. This objective was set excluding Medidata, acquired in October 2019.

(6) Scope 3 emissions are from business travel and employee commuting, including "well to tank" emissions for 2021, but excluding emissions related to the use of our solutions by our customers as well as emissions related to purchased goods and services and capital goods.

(7) Average percentage of permanent employees who completed mandatory training on Business Ethics, Personal Data Protection and Anti-Corruption.

(8) Percentage measured by an annual satisfaction survey.

(9) Sustainable Solutions are defined as solutions having a positive impact on the Sustainable Development Goals as defined by the United Nations. This indicator represents the percentage of eligible revenue from new licenses generated on the EU Taxonomy scope, targeting exclusively the environmental impact, to which is added the revenue generated by the Life Sciences activities contributing to the Good Health and Well-being objective, and by the activities contributing to the Quality Education objective, as defined by the United Nations. The EU Taxonomy methodology currently excludes several sectors such as aeronautics, consumer products, energy and raw materials, as detailed in paragraph 2.8.3 «EU Taxonomy Indicators Methodology», even though the solutions developed by Dassault Systèmes also have an environmental contribution in these sectors. However, this indicator does not currently take this contribution into account. The new licenses revenue is calculated as the total revenue from new licenses, plus the incremental revenue of licenses sold in the form of subscriptions, see paragraph 3.1.2.2 «Composition of the main items in the income statement», of the year (non-IFRS data).

(10) Engaged stakeholders include employees participating in sustainability programs, students certified on sustainability topics via the Dassault Systèmes' EDU program, and projects run by the 3DEXPERIENCE Lab and La Fondation Dassault Systèmes.



## Contribution to Sustainable Development Goals

We strongly believe that virtual universes are a key enabler for our customers – and the world – to imagine, design, and test the radically new products, materials, and manufacturing processes of tomorrow’s sustainable economy at the fastest possible speed.

To measure Dassault Systèmes’ contribution to a more sustainable economy, we have defined an indicator measuring the percentage of revenue generated with solutions providing positive sustainability impact at large. This indicator uses a methodology very close to the EU Taxonomy eligibility definition, currently focusing on the environmental goals. In order to integrate the other dimensions of sustainability, this indicator also reflects Dassault Systèmes’ contribution to social goals as defined in the United Nations Sustainable Development Goals (SDGs) framework.

Notably, we consider Dassault Systèmes’ on:



SDG3 (Global Health and Well-being) via primarily MEDIDATA and BIOVIA brands;



SDG4 (Quality Education) via our dedicated Education offering;



SDG7 (Affordable and Clean Energy) via the CATIA and SOLIDWORKS brands;



SDG13 (Climate Action) via the CATIA, SOLIDWORKS, SIMULIA and DELMIA brands.

The Sustainable Development Goals described above cover a wide scope of potential contributions. Therefore, the potential benefit of each of Dassault Systèmes’ brand has been assessed and documented through concrete use cases that are considered representative of their value offer.

The contribution to the Sustainable Development Goals was considered significant when:

- Dassault Systèmes directly contributes to the goals or enables its clients to contribute to the target;
- activities related to targets significantly contribute to the brand revenue and show potential for growth;
- the impacts are located in geographies or sectors identified as priority sectors by the United Nations.

Each proof-point includes relevant KPIs to document how the solution enables sustainability, for example:

- the number of clinical trials for SDG-related diseases run each year on the MEDIDATA platform;
- the tons of waste and greenhouse gases avoided by using DELMIA solutions to optimize manufacturing processes;
- the tons of greenhouse gases avoided by developing new, cleaner forms of energy and mobility with CATIA solutions.

By using this methodology, all the brands listed above demonstrate a significant contribution to the Sustainable Development Goals, which represents a total New Licenses Revenue of 72% (non-IFRS) for 2021.



This percentage has been calculated as the percentage of eligible revenue from new licenses generated on the EU Taxonomy scope, targeting exclusively the environmental impact, to which is added the revenue generated by the Life Sciences activities contributing to the Good Health and Well-being objective, and by the activities contributing to the Quality Education objective, as defined by the United Nations.

The EU Taxonomy methodology currently excludes several sectors such as aeronautics, consumer products, energy and raw materials, as detailed in paragraph 2.8.3. «EU Taxonomy Indicators Methodology», even though the solutions developed by Dassault Systèmes also have an environmental contribution in these sectors. However, this indicator does not currently take this contribution into account.

The new licenses revenue is calculated as the total revenue from new licenses, plus the incremental revenue of licenses sold in the form of subscriptions, see paragraph 3.1.2.2 “Composition of the main items in the income statement”, of the year (non-IFRS data).

### Ethical and Sustainable Workforce

We believe that our purpose gives meaning to the professional lives of our employees. It contributes to their pride and satisfaction in their achievements and their sense of belonging. In 2021, this rate has increased by nearly 2 points compared to 2019, particularly on the pride dimension close to 85%. It has also enabled us to maintain the employee voluntary turnover at a level broadly equivalent to the pre-pandemic period.

The diversity and representation of each and every one of our employees is part of our collective ambition to achieve

harmony. In 2021, our commitment and actions have enabled us to improve our overall score as part of the *Palmarès de la féminisation des instances dirigeantes des entreprises du SBF 120* (Ranking of women representation in governance bodies of SBF 120 companies). We also achieved to attract a higher level of women as part of new joiners, leading to a 6.6% increase in the number of women in Dassault Systèmes compared to 3.6% growth of our overall workforce.

There is no harmony, nor sustainability without good ethics. Dassault Systèmes’ business ethics rules are formalized in particular in its Code of Business Conduct and its Corporate Social Responsibility Principles. The Company’s Ethics Committee ensures that employees comply with rules laid down in the Code of Business Conduct and is tasked with investigating any alleged breaches brought to its attention, in particular through the Company’s whistleblowing procedure. Moreover, ethics and compliance trainings are mandatory to our employees, and their completion were further strengthened, and specific training to prevent discrimination and harassment was deployed in 2021.

### Ratings and Awards

Dassault Systèmes is a top performer on global Environmental, Social and Governance (ESG) ratings, as testified by the below ratings and rankings in 2021. Notably, Dassault Systèmes entered into the Dow Jones Sustainability World Index (DJSI) this year, coming in directly in fifth place out of 181 global software players. This is a recognition of the successful deployment of our *Sustainability Compass* strategy.

ESG rating agency	2021 Score	Relative performance
DJSI	57	ranked 5 <sup>th</sup> , 97 <sup>th</sup> percentile in the global software sector
MSCI	AA	out of a possible AAA
Vigeo Eiris	54	7 <sup>th</sup> out of 83 in the software sector
Ecovadis	72	98 <sup>th</sup> percentile – Awarded ‘Gold Medal’ status
CDP	A-	2021 Supplier Engagement Rating
Corporate Knights	A-	ranked 9 <sup>th</sup> in the Top 100 Most Sustainable Companies in the World, and included to the Carbon Clean 200

## Social, Societal and Environmental Indicators

The table below details our main sustainability metrics and targets with regards to corporate social, societal, and environmental responsibility, in addition to those disclosed in our *Sustainability Compass*.

	2021		2020	2019	2021 Objective	2025 Objective
	Workforce in-scope <sup>(1)</sup>	Values				
<b>Human Capital (Sustainability Accounting Standards Board)</b>						
<b>Company Organization and Workforce</b>						
Headcount	100%	20,496	19,789	19,361	-	-
<i>Europe</i>	100%	39%	39%	39%	-	-
<i>Americas</i>	100%	29%	30%	31%	-	-
<i>Asia</i>	100%	32%	31%	30%	-	-
<i>R&amp;D</i>	100%	41%	41%	39%	-	-
<i>Sales, Marketing and Services</i>	100%	46%	46%	48%	-	-
<i>Company's General Administration</i>	100%	13%	13%	13%	-	-
Headcount growth	100%	3.6%	2.2%	20.6%	-	-
Permanent employees	100%	99%	99.1%	98.9%	-	-
New joiners	100%	3,629	2,196	5,413	-	-
<i>Recruitment</i>	100%	99.4%	91.4%	52.4%	-	-
<i>Acquisition</i>	100%	0.6%	8.6%	47.6%	-	-
Countries of operation	100%	42	42	42	-	-
<b>2.3.1 Attracting Talented Individuals</b>						
Job offers filled	84.5%	3,875	1,729	3,358	-	-
Job offers filled under permanent contracts	84.5%	96.4%	95.1%	94.9%	-	-
Job offers filled by referral	84.5%	17.5%	24.3%	22.5%	20%	20%
Conversion of interns and apprentices <sup>(2)</sup>	84.5%	28.6%	9.8%	23.8%	-	-
Job offers filled with internal hires <sup>(3)</sup>	84.5%	29.8%	36.9%	31.2%	30%	30%
<b>2.3.2 Developing Knowledge and Know-how</b>						
Employees who received training	84.7%	90.9%	87.6%	-	-	-
Average number of training hours <sup>(4)</sup>	84.7%	28.9	23.5	20.6	-	-
Employees certified to Company's knowledge and values	84.7%	83.1%	72.4%	59.9%	75%	-
People Managers certified	84.7%	81.8%	75.8%	65.4%	80%	-
Employees trained on ethics and compliance <sup>(5)</sup>	83.7%	98.6%	98.2%	96.9%	-	95%
<b>2.3.3 Preserving Health, Safety and Well-Being in the Workplace</b>						
Absenteeism	89.6%	2.2%	2.3%	1.8%	< 4%	< 4%
Occupational accidents	89.6%	29	19	18	-	-
Satisfaction Work Environment <sup>(6)</sup>	131 sites	77.5%	79.8%	72.7%	75%	-
Permanent employees working part-time	99%	2.3%	2.4%	2.3%	-	-
Permanent employees benefiting from a leave of absence <sup>(7)</sup>	99%	1.8%	1.4%	1.4%	-	-
<b>2.3.4 Fostering and Rewarding Employee Engagement</b>						
Employees granted with Long-Term Incentive <sup>(8)</sup>	97.6%	11.3%	11.9%	10.4% <sup>(9)</sup>	-	-
Employees subscribing to shareholding program <sup>(10)</sup>	95.4%	55.4%	-	-	-	-
Employees covered by independent employees representation in Europe	38.3%	97.3%	-	-	-	-
Employees covered by collective bargaining agreement in Europe	38.3%	84.5%	-	-	-	-
Average seniority (in years)	100%	8.3	8.2	8	-	-
Employee voluntary turnover	100%	10.8%	5.3%	7.6%	< 10%	-
Employee total turnover	100%	12.9%	6.6%	9.3%	-	-
Employee pride and satisfaction <sup>(6)</sup>	96.7%	79.8%	82.5%	78%	-	85%

(1) The scope refers to total headcount excluding companies or countries as detailed in paragraph 2.8 "Reporting Methodology".

(2) Percentage of conversion, under permanent or fixed-term contracts, of the total number of interns and apprentices, whether they continue their educational training or they are graduated.

(3) Percentage of job offers requiring at least three years' professional experience filled with internal candidates.

(4) Average number of training hours for employees who received training.

(5) Average percentage of permanent employees who completed mandatory trainings on Business Ethics, Personal Data Protection and Anti-Corruption.

(6) Percentage measured by an annual satisfaction survey.

(7) Including end-of-career leave.

(8) Excluding members of the Executive team.

(9) Excluding Medidata.

(10) Average percentage of eligible employees subscribing to the employee shareholding program.

	2021		2020	2019	2021 Objective	2025/2027 Objective
	Workforce in-scope <sup>(1)</sup>	Values				
<b>2.3.5 Promoting Diversity and Inclusion</b>						
<b>Gender equality at work</b>						
Women on Board of Directors <sup>(2)</sup>	100%	50%	50%	50%	-	-
Women in the Executive team	100%	38.5%	38.5%	22.2%	-	40%
Women among People Managers	100%	21.2%	20.7%	18.8%	-	30%
Women in the Company	100%	27.5%	26.8%	26.2%	-	-
<i>R&amp;D</i>	100%	22.1%	21.7%	20.9%	-	-
<i>Sales, Marketing and Services</i>	100%	27.4%	26.4%	25.5%	-	-
<i>Company's General Administration</i>	100%	44.4%	44%	44.1%	-	-
Women in new joiners	100%	34.9%	33.5%	34.1%	-	-
Gender Equality Index <sup>(3)</sup>	18.8%	95/100	95/100	86/100	-	-
<b>Country of origin</b>						
Number of countries of origin	100%	135	133	128	-	-
<b>Disability</b>						
Employment of people with disabilities <sup>(4)</sup>	18.8%	2.9%	2.9%	2.8%	-	-
<b>Social Capital (Sustainability Accounting Standards Board)</b>						
<b>2.4.2 Protect Intellectual Property and Personal Data</b>						
Employees trained on personal data protection <sup>(5)</sup>	83.7%	98.6%	98.4%	97.3%	-	-
<b>Environment (Sustainability Accounting Standard Board)<sup>(6)</sup></b>						
<b>2.5.2 Driving action: Climate Strategy</b>						
Scope 1 – in tCO <sub>2</sub> -eq	-	3,859	4,629	5,403	-	3,588 <sup>(7)</sup>
<i>Natural Gas</i>	86.4%	657	978	825	-	-
<i>Fuel</i>	86.4%	197	210	0	-	-
<i>Refrigerant</i>	86.4%	1,032	392	315	-	-
<i>Company cars</i>	86.4%	1,972	3,049	4,263	-	-
Scope 2 – in tCO <sub>2</sub> -eq	-	10,305	15,331	17,576	-	11,670 <sup>(7)</sup>
<i>Electricity</i>	86.4%	9,834	14,835	17,034	-	-
<i>% of low-carbon electricity</i>	86.4%	75.2%	43.9%	44.2%	48%	90%
<i>Urban steam and cold</i>	86.4%	472	497	542	-	-
Scope 3 – in tCO <sub>2</sub> -eq	-	128,353	134,895	150,951	-	-
<i>Business travels</i>	96.3%	5,983 <sup>(8)</sup>	18,132	34,410	-	-
<i>Employee commuting</i>	100%	6,857 <sup>(8)</sup>	12,181	27,199	-	56,132
<i>Capital goods</i>	98.7%	28,076	26,982	21,639	-	-
<i>Goods and services</i>	98.7%	87,435	77,601	67,703	-	52% <sup>(9)</sup>
<i>Electric and electronic waste</i>	86.4%	0.5	0	-	-	-
<i>% of suppliers w/science-based targets set<sup>(9)</sup></i>	-	23%	16%	-	-	52% <sup>(9)</sup>
<b>Total – in tCO<sub>2</sub>-eq</b>	<b>-</b>	<b>142,517</b>	<b>154,855</b>	<b>173,930</b>	<b>-</b>	<b>-</b>
<i>Scope 3 – Use of goods sold (on premise customers) – in tCO<sub>2</sub>-eq</i>	-	530,771	483,625	551,656	-	-
<i>% of certified workplaces<sup>(10)</sup></i>	86.4%	68.8%	53.3%	52.9%	55.5%	74.6%
<i>% of workplaces with sorting facilities for ordinary waste<sup>(10)</sup></i>	86.4%	87.5%	88.3%	84.3%	87.3%	100%
<i>Weight of collected electric and electronic waste (DEEE) -in tons</i>	86.4%	24.3	18.4	38.9	-	-
<i>% of recycled electric and electronic waste (DEEE)</i>	86.4%	98.4%	99.9%	99.3%	-	-
<b>Leadership and Governance</b>						
<b>(Sustainability Accounting Standard Board)</b>						
Millions of learners using or having used one or more technologies <sup>(11)</sup>	-	6.8	_(11)	_(11)	-	-
<b>2.6 Business Ethics and Vigilance plan</b>						
Employees trained on Business ethics <sup>(5)</sup>	83.7%	98.8%	98.4%	97.5%	-	-
Employees trained on Anti-corruption <sup>(5)</sup>	83.7%	98.4%	97.7%	96.1%	-	-

(1) The scope refers to total headcount excluding companies or countries as detailed in paragraph 2.8 "Reporting Methodology".

(2) Excluding Directors representing employees, not accounted in accordance with the law and the AFEP-MEDEF Code.

(3) The Index de l'égalité Femmes-Hommes (Gender Equality Index) reported covers Dassault Systèmes SE. It is calculated each year in respect with previous year.

(4) The employment rate of people with disabilities reported covers Dassault Systèmes SE. It is calculated each year in respect with previous year.

(5) Percentage of permanent employees who completed mandatory trainings.

(6) In the "Environment" section, the figures mentioned for the year 2019 do not include Medidata.

(7) In accordance with the Science-Based Targets initiative, this objective was set with a horizon of 2027, using the year 2019 as a reference. This objective was set excluding Medidata, acquired in October 2019.

(8) This indicator includes "well to tank" emissions for 2021.

(9) As approved by the Science-Based Targets initiative, this is the percentage of suppliers (by emissions weigh) covering purchased goods & services and capital goods, themselves committed to the SBTi.

(10) Percentage calculated based on our 60 main sites covered by reporting, including ISO 50001 certifications.

(11) Number of learners using or having used one or more of our technologies in an initial or lifelong training context. As the reporting methodology for this indicator was revised in 2021, the 2020 data updated according to this new methodology will be disclosed in 2022.

The amount of GHG emissions related to the Scopes 1 & 2 decreases by 29% in absolute value compared to 2020. In addition, the carbon intensity decreases from 1.2 to 0.8 tCO<sub>2</sub>-eq per full-time equivalent, mainly due to the pandemic (opening and closing of workplaces, and remote working). In Europe, the use of monitoring captors already allowed Dassault Systèmes to identify actions to reduce electricity consumption.

The amount of GHG emissions related to Scope 3 evolves as follow:

- purchased goods and services and capital goods: the emissions increased by 10% in absolute value compared to 2020. In addition, the carbon intensity of this perimeter increases from 5.3 to 5.7 tCO<sub>2</sub>-eq per full-time equivalent;

- employee commuting GHG-related emissions decreased by 44% in absolute value compared to 2020. The carbon intensity of this perimeter decreases from 0.6 to 0.3 tCO<sub>2</sub>-eq per full-time equivalent, as well as business travels moving from 0.9 to 0.3 tCO<sub>2</sub>-eq per full-time equivalent (-67%), due to travel restrictions imposed by many countries for health reasons.

To date, all these reductions are in line with or better than our SBTi pathway (see paragraph 2.5.4 “Monitoring Progress: Climate Metrics and Targets”), but could be increasing again in 2022 when intensification of business travel further to the lifting of sanitary restrictions.

## 2.7.2 EU Taxonomy Indicators

### General context and application scope for 2021

In a context of increasing climate risk, the European Commission has launched a Sustainable Finance Action Plan in 2018, establishing a framework to foster sustainable investments in the European Union. The European Parliament has voted in June 2020 the Regulation (EU) 2020/852, called the EU Taxonomy, followed by several delegated acts. As a Company registered and headquartered in the European Union, Dassault Systèmes' falls under this new EU Taxonomy regulation.

The EU Taxonomy is a classification system of economic activities according to their contribution to six environmental objectives:

- **climate change mitigation;**
- **climate change adaptation;**
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- pollution prevention and control;
- the protection and restoration of biodiversity and ecosystems.

For the first year of application, only the first two objectives, which specifically concern climate change, must be subject to the publication of financial disclosure in the form of indicators.

The Delegated Act of July 6, 2021 detailing the article 8 of the original regulation set out the content, calculation method of the related indicators and expected disclosures.

For the first year of application of the EU Taxonomy, the required reporting is limited to the proportion of respectively revenue, Capital Expenditures and Operating Expenses associated with eligible economic activities as defined by the EU Taxonomy, covering the financial year 2021 with no comparative data for 2020.

An economic activity is eligible when explicitly described in the restricted list included at this stage in the regulation and is likely to make a substantial contribution to each environmental objective. Whenever such activities respect the technical screening criterias, which are precise conditions and performance thresholds to demonstrate the substantial contribution to the environmental objectives, they will be considered as aligned with the EU Taxonomy. As per the current regulation application timeline, this analysis and the final reporting on the proportion of aligned activities will be communicated in a second phase from 2023 on, based on indicators related to fiscal year 2022.

### Sustainability drivers

Sustainability drivers are used to demonstrate the link between the use of our software, and GHG emissions avoided for our customers. The documentation and contribution of these drivers, and associated KPIs, are based on the collection and analysis of representative use cases in the various industries that Dassault Systèmes addresses.

Dassault Systèmes has assessed eligibility through a developed methodology, that has been reviewed by an independent audit. The approach relies on identifying specific capabilities or disciplines within each brand that contribute to key sustainability drivers in the economy.

A total of 14 sustainability drivers have been identified in order to demonstrate the contribution of our solutions to the “climate change mitigation” objective:

- 1) enabling new forms of energy – emissions compared to thermal energy sources;
- 2) industrializing the construction sector to reduce errors and waste;
- 3) tracking sustainability requirements by use of model-based system during the whole product lifecycle;
- 4) light weighting products to reduce resource during use and transport (Ecoinvent);
- 5) replacing physical prototypes with virtual twins;
- 6) improving Product Performance combining Modeling and Simulation;
- 7) designing for manufacturing to reduce errors and waste;
- 8) improving efficiency in the design process – Engineering department environmental footprint;
- 9) accelerate the transition to the circular economy, keep materials and equipments in use;
- 10) manufacturing process optimization, between design and industrialization enables to optimize product manufacturing: reduce resource consumption, scrap, etc.;
- 11) optimize production (produce more with less), thanks to the monitoring of production activities in real time, to optimize manufacturing materials and the use of resources;
- 12) reducing need for physical mockup thanks to factory virtual twins, enabling to verify the manufacturability of new products or the performance of layout changes;
- 13) optimizing logistics flows and supply chain, using virtual twin can help create a logistics plan according to the goal of minimizing CO<sub>2</sub>;
- 14) recovering of waste electric and electronic equipment (WEEE), thanks to digital continuity enabling a constant flow of information, which facilitates the uptake of recycled materials.

Some of the sustainability drivers contribute to reducing greenhouse gases emissions in a specific part of the product lifecycle (ex: improving product performance in the use phase), while others are applicable in all steps of the lifecycle (ex: tracking sustainability requirements – from design to end of life phase).

Sustainability drivers	Design	Manufacturing & Sourcing	Use	End of life
New forms of energy	✓	✓	✓	
Industrializing the construction sector	✓	✓		
Tracking sustainability requirements		✓	✓	✓
Light weighting products			✓	
Replacing physical prototypes	✓	✓		
Improving product performance	✓		✓	
Designing for manufacturing	✓	✓		
Improving efficiency in the design process	✓			
Keeping material in use				✓
Manufacturing process optimization		✓		
Optimize output (produce more with less)		✓		
Logistics flow and supply chain optimization		✓		
Waste electric and electronic equipment recovery		✓		✓
Factory virtual twins reduce need for physical mockups		✓		

### Eligible Revenues (Software & Services) as of December 31, 2021 (Full Year – IFRS – in millions of euros)

The eligible revenues represent the proportion of Dassault Systèmes' revenue-generating activities that are eligible to the EU Taxonomy as described above and detailed in the paragraph 2.8.3 "EU Taxonomy Indicators Methodology".

The table below presents, for 2021, the proportion of Software and Services revenue that is considered eligible, because mainly contributing to the Climate Change Mitigation objective and corresponding to the Data-driven for GHG emissions reduction activities (8.2).

Economic activities	Code(s)	Revenue (in millions of euros)	% of Revenue
<b>A. EU Taxonomy eligible activities</b>		<b>2,456.3</b>	<b>50%</b>
Climate Change Mitigation (8.1) Data processing, hosting and related activities			
Climate Change Mitigation (8.2) Data-driven solutions for GHG emissions reductions		2,456.3	50%
<b>B. EU Taxonomy non-eligible activities</b>		<b>2,403.8</b>	<b>50%</b>
Revenue of EU Taxonomy-non-eligible activities		2,403.8	50%
<b>TOTAL (A + B)</b>		<b>4,860.1</b>	<b>100%</b>

The revenue of non-eligible activities notably includes software and services revenue generated with industry segments that are not listed explicitly by the regulation, namely at this stage Aerospace & Defense, Consumer Packaged Goods & Retail, Energy & Materials, Home & Lifestyle, Life Sciences & Healthcare.

This results in a rather conservative and under-evaluated indicator of Dassault Systèmes' contribution via its sustainable innovation solutions to these sectors; we expect that as more activities are included in future delegated acts, the share of eligible revenue will increase automatically and substantially.

Using the same methodology as described above, but taking into account the industry segments currently excluded from the EU Taxonomy regulation, except for the oil, gas and mining segments, Dassault Systèmes' eligible activities' revenue would be 68%.

The detailed methodology to assess eligible activities is described in paragraph 2.8.3 "EU Taxonomy Indicators Methodology".

### Eligible Operating Expenses as of December 31, 2021 (Full Year – IFRS – in millions of euros)

The eligible Operating Expenses represents the reduced proportion of Dassault Systèmes' Operating expenses that are considered eligible to the EU Taxonomy as described in the paragraph 2.8.3 "EU Taxonomy Indicators Methodology".

The table below presents, for 2021, the proportion of Operating Expenses that is considered eligible, because mainly contributing to the Climate Change Mitigation objective and corresponding to the Operating Expenses related to assets or processes associated with EU Taxonomy-eligible economic activities, specifically for the Data-driven solutions for GHG emissions reduction activities (8.2).

Economic activities	Code(s)	Operating Expenses (in millions of euros)	Proportion of Operating Expenses
<b>A. EU Taxonomy eligible activities</b>		<b>550.9</b>	<b>33%</b>
(7.2) Renovation of existing buildings			
Climate Change Mitigation (8.1) Data processing, hosting and related activities			
Climate Change Mitigation (8.2) Data-driven solutions for GHG emissions reductions		550.9	33%
<b>B. EU Taxonomy non-eligible activities</b>		<b>1,095.1</b>	<b>67%</b>
Operating Expenses of EU Taxonomy-non-eligible activities		1,095.1	67%
<b>TOTAL (A + B)</b>		<b>1,646.0</b>	<b>100%</b>

**Eligible Capital Expenditures as of December 31, 2021  
(Full Year – IFRS – in millions of euros)**

The eligible Capital Expenditures represents the proportion of Dassault Systèmes' Capital Expenditures that are considered eligible to the EU Taxonomy as described in the paragraph 2.8.3 "EU Taxonomy Indicators Methodology".

The table below presents, for 2021, the proportion of Capital Expenditures that is considered eligible, because mainly contributing to the Climate Change Mitigation objective and corresponding mainly to the Data processing, hosting and related activities (8.1).

<b>Economic activities</b>	<b>Capital Expenditures</b> <b>Code(s)</b> <i>(in millions of euros)</i>	<b>Proportion of Capital Expenditures</b>
<b>A. EU Taxonomy eligible activities</b>	<b>57.3</b>	<b>55%</b>
(7.1) Construction of new buildings	7.6	7%
(7.2) Renovation of existing buildings	8.8	8%
Climate Change Mitigation (8.1) Data processing, hosting and related activities	40.9	40%
(8.2) Data-driven solutions for GHG emissions reductions		
<b>B. EU Taxonomy non-eligible activities</b>	<b>46.1</b>	<b>45%</b>
Capital Expenditures of EU Taxonomy-non-eligible activities	46.1	45%
<b>TOTAL (A + B)</b>	<b>103.4</b>	<b>100%</b>

## 2.8 Reporting Methodology

With the exception of the EU Taxonomy, whose methodology is presented in paragraph 2.8.3 "EU Taxonomy Indicators Methodology", our social, societal and environmental reporting methodologies are detailed in the reporting protocols, which define the methodology for collecting and calculating information and the scope of data collection. To enhance the reliability of our reporting process, these internal protocols include definitions and rules for calculating each indicator, and are updated each year. Data reliability checks are carried out annually at the time of data consolidation as well as throughout the year in connection with analyzing variations from preceding periods.

The environmental reporting scope includes Dassault Systèmes SE and all the companies in respect of which it has a shareholding exceeding 50% and the three geographical regions in which we operate: Europe (including Europe Middle East Africa Russia), Americas and Asia. However, for some

indicators, the scope covered may be more limited; in particular, companies acquired during the fiscal year are generally excluded from the scope of reporting. The indicators were selected from the mapping of social, societal and environmental risks. Data related to employees is calculated on the basis of "full-time equivalents," which correspond to the proportion of "hours worked per standard full-time work hours" and which were jointly defined and shared by both Human Resources and Finance teams. The number of employees or workforce refers to the number of employees, including permanent and temporary labor contracts (apprenticeships included). Data related to new hires and departures is also determined using this rule; it is extracted from HR and financial management software applications, both of which are rolled out in all Dassault Systèmes' entities.



## 2.8.1 Methodology of Social, Societal and Business Ethics Reporting and Vigilance Plan

Indicators refers to the workforce as of December 31, 2021. Depending on the approach adopted and the level of progress of the integration process, Centric Software, Outscale, Medidata and INTEROPSYS SAS ("Iterop") may be excluded of the scope of reporting for some indicators, as reflected in the coverage percentage below:

- data relating to paragraph 2.3.1 "Attracting Talented Individuals" refers to job offers filled between January 1, 2021 and December 31, 2021 and covers 84.5% of the workforce versus 84.6% in 2020;
- data relating to paragraphs 2.3.2 "Developing Knowledge and Know-how", 2.4.2 "Protect Intellectual Property and Personal Data" and 2.6 "Business Ethics and Vigilance Plan" are calculated on the basis of number of employees. They cover 84.7% of the workforce versus 84.6% in 2020 when referring to training and certification and 83.7% of the workforce versus 84.6% in 2020 when referring to mandatory training on ethics and compliance;
- data relating to paragraph 2.3.3 "Preserving Health, Safety and Well-Being in the Workplace" are calculated as follows:
  - data related to absenteeism includes absences due to illness, excluding maternity and paternity leave, as well as those resulting from an occupational accident. They cover 14 countries with more than 150 employees on June 30 of reporting year, representing 89.6% of the workforce versus 80.3% in 2020. The number of occupational accidents is reported on the same scope,
  - data related to Satisfaction Work Environment are based on the survey conducted by *Great Place To Work* and covers 156 physical sites, 131 of which obtained a satisfaction rate,
  - data related to part-time work and leave of absence are calculated on the basis of number of employees and covers 99% of the workforce;
- data related to paragraph 2.3.4 "Fostering and Rewarding Employee Engagement" are calculated as follows:
  - data related to employees granted with Long-Term Incentive are calculated on the basis of number of employees and exclude members of the Executive team. They cover 97.6% of the workforce,
  - data related to the employee shareholding program are calculated on the basis of number of employees and covers 91.2% of the workforce,
  - data related to employees covered by independent employees' representation and collective bargaining agreements refers to the workforce in Europe. They cover 38.3% of the workforce, Europe representing 39% of the Company's workforce,
  - data related to employee pride and satisfaction are based on the survey conducted by *Great Place To Work* and covers 96.7% of the workforce;
- data related to the Gender Equality Index (Index *Egalité Femmes-Hommes*) and to the rate of employment of people with disabilities included in paragraph 2.3.5 "Promoting Diversity and Inclusion", covers Dassault Systèmes SE and are calculated in compliance with French law. They cover 18.8% of the workforce;
- data related to *People Managers* refers to employees with management responsibilities to whom the *People Manager* role has been assigned and covers 71.1% of managers;
- data relating to paragraph 2.4.1 "Digital Responsibility: Foster and Promote Education and Innovation" in the section dedicated to "Preparing the Workforce of the Future", is estimated by taking into account the number of our main academic licenses to which we apply a coefficient of number of users resulting from our experience and exchanges with our customers.

The new indicators defined in 2021 are calculated applying the same methodology as of December 31, 2020 and December 31, 2019 when data are available.

## 2.8.2 Methodology for Environmental Reporting

### Methodology and scope of environmental reporting

As of December 31, 2021, the employees of Dassault Systèmes were distributed between 180 sites. Most of our environmental indicators are calculated on the basis of the physical sites' operating data: buildings' energy consumption, quantities of waste produced, etc., whereas Scope 3 greenhouse gas emissions are assessed according to different processes, such as the monitoring of the purchase of transport services for business travel (train or plane tickets, car rentals, etc.), which

is carried out at the level of each of the Company's legal entities. These characteristics explain the co-existence of two reporting scopes for environmental data:

- environmental reporting related to energy consumption (Scopes 1 and 2), treatment of common or electrical and electronic waste, building certifications, cooling systems and company vehicles concerns sites with at least 50 employees. In 2021, 63 sites were concerned, covering

86.4% of the Company's employees versus 85.1% in 2020 and 73.1% in 2019;

- for greenhouse gas emissions included in Dassault Systèmes' Scope 3, the data presented in the environmental reporting covers greenhouse gas emissions as follows:
  - for indicators relating to the purchase of goods and services and capital goods, the data presented covers emissions relating to all annual invoices in euros recorded between January 1 and December 31, 2021, from Scope 3 in the supply chain. Non-significant legal entities were not taken into account (these expenses are estimated at 1% of total expenses). The scope thus covers 98.7% of the Company's employees versus 98.8% in 2020 and 84.9% in 2019,
  - for indicators concerning business travel, the data presented covers emissions produced by employees of the Company's main legal entities. For these indicators, the data presented in the environmental report covers the emissions produced by the employees of legal entities comprising a site with at least 50 employees. In 2021, the reporting scope thus covers 96.3% of the Company's employees versus 99.7% in 2020 and 84.3% in 2019,
  - for indicators relating to employee commuting, the data presented covers the emissions relating to daily commuting by employees of all legal entities by estimating the distances traveled between their declared personal address and their workplace. In 2021, these estimates cover a worldwide scope representing 100% of the Company's employees versus 99.6% in 2020 and 85.4% in 2019,
  - for indicators relating to the use of solutions sold, the data presented covers emissions relating to active licenses as of January 1, 2022 as drawn from the financial reporting tools. These indicators concern indirect emissions relating to estimates of the electricity consumption of our clients "on premise."

Our environmental reporting may evolve as part of our continuous improvement process, or to take into account modifications in applicable regulations.

### Collecting and consolidating environmental data

The environmental data on greenhouse gas emissions was collected by the internal network of contributors, and then consolidated by the "Sustainable Operations" strategic

pillar team from our *Sustainability Compass*, based on the environmental reporting protocol. For selected topics, such as business travel and data concerning electronic waste, external service providers have been consulted.

In order to facilitate the consolidation of the environmental information relating to Scopes 1 and 2, a dedicated internal software solution has been rolled out on our **3DEXPERIENCE** platform. It helped structuring and standardizing environmental data, calculating indicators and increasing the frequency of data collection. Hence indicators relating to energy consumption and its related greenhouse gas emissions, as well as waste from electrical and electronic equipment are collected quarterly by the internal network of contributors and are reviewed and reported quarterly by our Real Estate and Facilities Management department.

Indicators for the treatment of common waste and other greenhouse gas emissions are collected annually by the internal network of contributors.

Indicators on greenhouse gas emissions relating to the purchase of goods and services, capital goods and business travel are collected annually by the Purchasing & Travel department.

Indicators relating to greenhouse gas emissions from employees' commuting and the use of solutions sold to our customers are subject to an annual cross-functional collection, involving various internal departments.

### Limitations on environmental reporting

In some cases, the information produced cannot be based on actual consumption, for example for some foreign subsidiaries that represent low contribution or for sites where some expenses are included in the rental expenses. In these cases, the Company's internal environmental reporting protocol specifies the procedure to follow in order to make the required estimations.

Regarding waste treatment, for most of our subsidiaries the waste collections are handled by local authorities, who do not provide and disclose any information on collected waste. It is therefore not possible to provide any information on the volumes of waste generated by the activity. We have nevertheless reached out to all our subsidiaries included in the 2021 reporting scope as to whether they sorted their waste. Thus Dassault Systèmes discloses an information on the percentage of sites that perform this waste sorting, not on the volumes of waste.

## 2.8.3 EU Taxonomy Indicators Methodology

### Key methodological steps to identify eligible Revenues

Among the 13 sectors listed in the first version of the EU Taxonomy and the list of NACE codes included, three activities have been identified as potentially relevant with regards to the revenue generating lines of business at Group level, after a complete review of all activity descriptions in the Annex I and II, supplementing the original regulation 2020/852:

- Information and Communication (Annex I and II – Section 8):
  - 8.1 Data processing, hosting and related activities,
  - 8.2 Data-driven solutions for GHG emissions reductions;
- Professional, scientific and technical activities (Annex II – Section 9):
  - 9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change.

The Software revenue generated by the Company Brands predominantly corresponds to the definition of activities in the 8.2 *Data-driven solutions for GHG emissions reductions* section, considering them as “enabling activities” as they have the potential to enable our customers to improve their own sustainability.

A detailed assessment of Dassault Systèmes’ portfolio covering close to 40 technological domains has been carried out to identify the Brand portfolio that:

- directly supports decision making enabling GHG emission reduction;
- and that is marketed as enabling GHG emission reduction.

The revenue generated by the brand portfolio that respects the two main conditions described above is then considered as eligible, with one important limitation: the revenue from the sale of solutions to a sector of the economy that is not *itself* covered under the EU Taxonomy delegated acts. As of today, this concerns air transportation, consumer goods (amongst which apparel), health, etc. Thus the scopes of MEDIDATA and CENTRIC PLM are at this stage excluded from the eligible activities, although Dassault Systèmes’ solutions contribute to the decarbonization of these sectors.

The Services activities are directly linked to Dassault Systèmes’ solutions implementation, therefore the revenue generated by services activities is considered eligible only when the related software revenue is eligible.

The revenue generating activities corresponding to the sections 8.1 “Data processing, hosting and related activities” and 9.1 “Engineering activities and related technical consultancy dedicated to adaptation to climate change” are either directly integrated as an end-to-end value offer in Dassault Systèmes Software solutions as or considered as non significant.

### Key methodological steps to identify eligible Operating Expenses

#### Nature and type of eligible Operating Expenses

The delegated act C (2021)4987 specifies the nature of Operating Expenses that are eligible with an explicit reference to the following direct non-capitalized cost natures:

- research and development;
- building renovation measures;
- short-term lease (less than a year in accordance with IFRS 16);
- maintenance and repair;
- other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or a third party outsource that are necessary to ensure the continued and effective functioning of such assets;
- training and other human resources adaptation needs.

The other indirect costs such as general expenses, sale, marketing or administration costs, staff costs and depreciation and amortization are excluded from the eligible Operating Expenses.

The delegated act defines three types of Operating Expenses to be considered as potentially eligible:

- Operating Expenses related to assets or processes associated with EU Taxonomy-eligible economic activities;
- Operating Expenses that are part of the Capital Expenditures plan to expand EU Taxonomy-eligible economic activities or allow EU Taxonomy-eligible economic activities to become Taxonomy-eligible within a predefined timeframe;
- Operating Expenses related to the purchase of output from EU Taxonomy-eligible economic activities.

### Eligible Software and Services related Operating Expenses

To identify the Operating Expenses related to assets or processes associated with EU Taxonomy-eligible economic activities, a detailed analysis of direct non-capitalized cost natures related to Software portfolio development have been carried, based on the Group analytical performance analysis framework.

As a result of this analysis, all natures of costs related to research & development and cost of software are eligible, mainly direct personal costs, sub-contracting costs and royalties. All other costs related to maintenance & repair, and rent expenses allocated within IT and facilities expenses are also considered as eligible.

### Purchases of output from EU Taxonomy-eligible activities in Operating Expenses

Among the 13 sectors listed in the EU Taxonomy, two categories of Operating Expenses have been identified as relevant for Dassault Systèmes:

- section 7: all costs related to construction and real-estate activities aiming at the construction of new buildings or renovation of existing buildings, installation, maintenance and repair of energy efficiency equipment or charging stations for electric vehicles and devices for measuring, regulation and controlling energy performance of buildings, and Installation, maintenance of renewable energy technologies;
- section 8: all costs to data processing, hosting and related activities.

For the 2021 reporting, the purchases of output from EU Taxonomy-eligible activities in Operating Expenses has been considered out of scope, waiting for further EU directives to clarify more precisely the eligible scope of expenses.

### Key methodological steps to identify eligible Capital Expenditures

#### Nature and type of eligible Capital Expenditures

The delegated act C (2021)4987 specifies the nature of eligible Capital Expenditures, being the additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements that are accounted in compliance with relevant IAS and IFRS standards.

The delegated act defines three types of Capital Expenditures to be considered as potentially eligible:

- Capital Expenditures related to assets or processes that are associated with EU Taxonomy-eligible economic activities;
- Capital Expenditures that are part of a plan to expand EU Taxonomy-aligned economic activities or allow EU Taxonomy-eligible economic activities to become EU Taxonomy-aligned within a predefined timeframe;
- Capital Expenditures related to the purchase of output from EU Taxonomy-eligible economic activities, and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, (...) provided that such measures are implemented and operational within 18 months.

#### Purchases of output from EU Taxonomy-eligible activities in Capital Expenditures

Among the 13 sectors listed in the EU Taxonomy, two categories of Capital Expenditures have been identified as relevant for Dassault Systèmes:

- section 7: all Capital Expenditures related to Construction and real-estate activities aiming at the construction of new buildings or renovation of existing buildings, installation, maintenance and repair of energy efficiency equipment or charging stations for electric vehicles and devices for measuring, regulation and controlling energy performance of buildings, and Installation, maintenance of renewable energy technologies;
- section 8: all Capital Expenditures related to data processing, hosting and related activities.

## 2.9 Independent verifier's reports

### 2.9.1 Independent third party's report on consolidated non-financial statement presented in the management report

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the statutory auditors of your entity (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2021 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

#### Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

#### Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

#### The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement (or which are available online).

### Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on.

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

### Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000<sup>(1)</sup>.

### Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### Means and resources

Our verification work mobilized the skills of five people and took place between October 2021 and March 2022 on a total duration of intervention of about twenty-two weeks.

We conducted ten interviews with the persons responsible for the preparation of the Statement including in particular the Administration and Finance, Sustainability, Human Resources, Employee training and certification, Health, Safety and well-being at work, Diversity and Inclusion, the TOGETHER employee share plan, Environmental responsibility, Real estate and facilities, Personal data protection and Procurement/Sourcing.

### Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code as well as compliance with human rights and anti corruption and tax avoidance legislation;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (digital responsibility, environmental responsibility), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Dassault Systemes UK Limited; MDSOL Europe Limited; Dassault Systèmes GuangZhou; DS IT Co., Ltd; DS (Shanghai) I.T. CO., Ltd.; Medidata Shanghai; Dassault Systèmes SE; Dassault Systèmes Provence SAS; Dassault Data Services SAS; OUTSCALE SAS;
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers 29% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (29% of the Headcount);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional guidance; a higher level of assurance would have required more extensive audit work.

Paris-La Défense, the 16 March 2022

French original signed by

Independent third party

EY & Associés

Éric Mugnier

Partner, Sustainable Development

**Appendix 1: The most important information****Social Information**

<b>Quantitative Information (including key performance indicators)</b>	<b>Qualitative Information (actions or results)</b>
Average number of training hours.	The results of the policy to develop the knowledge and skills of employees,
Employees trained on ethics and compliance (%).	The results of the policy to preserve safety, health and well-being at work,
Absenteeism (%).	The results of the policy to recognise the commitment of employees,
Occupational accidents.	The results of the policy to promote diversity and inclusion of employees.
Employee voluntary turnover (%).	
Employees enrolling Shareholding Program (%).	
Women in the Company (%).	
Women among <i>People Managers</i> (%).	

**Environmental Information**

<b>Quantitative Information (including key performance indicators)</b>	<b>Qualitative Information (actions or results)</b>
Scope 1 GHG emissions ( <i>tCO<sub>2</sub>eq</i> ).	The results of the climate strategy and policies, for operations and solutions
Scope 2 GHG emissions ( <i>tCO<sub>2</sub>eq</i> ).	
Scope 3 GHG Goods and services GHG emissions ( <i>tCO<sub>2</sub>eq</i> ).	

**Societal Information**

<b>Quantitative Information (including key performance indicators)</b>	<b>Qualitative Information (actions or results)</b>
	The results of the digital responsibility policy, notably on the personal data protection



## 2.9.2 Independent verifier's report on eligibility indicators related to European taxonomy disclosed in the consolidated non-financial statement

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To the Managing Director,

Further to your request and in our quality as an independent verifier, member of the network of one of the statutory auditors of your entity (hereafter the "entity"), we present our report on the eligibility indicators related to turnover, capital expenditure and operational expenditure (hereafter the "Eligibility indicators"), disclosed in the chapter "2.7.2 EU Taxonomy indicators" of the consolidated non-financial statement (hereafter the "Statement") in accordance with the methodology prepared by the entity (hereafter the "Guidelines"), based on the provisions of the Delegated Regulation (EU) 2021/2178 and Delegated Regulation (EU) 2021/2139.

### Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the Eligibility indicators are not presented in accordance with the Guidelines, in all material respects.

### Limitations inherent in the preparation of the Eligibility indicators

The Eligibility indicators may be subject to uncertainty inherent to possible interpretations of the eligibility of activities and the quality of the external data used. Certain information is sensitive to methodological choices, assumptions and/or estimates made in preparing them and presented in the Statement.

### The entity's responsibility

It is the responsibility of the entity to prepare the Eligibility indicators in accordance with the Guidelines, of which a summary is included in the management report.

### Responsibility of the independent verifier

In response to your request, on the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on the compliance of the Eligibility indicators with the Guidelines.

### Independence and quality control

Our independence is defined by the requirements of the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

### Means and resources

Our verification work mobilized the skills of seven people and took place between December 2021 and March 2022 on a total duration of intervention of about three weeks.

### Nature and scope of the work

We planned and performed our work, in accordance with ISAE 3000 (revised)<sup>(1)</sup>, taking into account the risks of material misstatement of the Eligibility indicators.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we obtained an understanding of all the consolidated entities' activities;

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(1) ISAE 3000 (revised) – Assurance engagements other than audits or reviews of historical financial information

- we referred to documentary sources and conducted interviews to corroborate the qualitative information that we considered to be the most important;
- we assessed the data collection process to ensure the completeness of the Eligibility indicators;
- we implemented analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- we assessed the overall consistency of the Eligibility indicators based on our knowledge of all the consolidated entities;
- for each of the Eligibility indicators:
  - we assessed the consistency of the selected eligibility criteria with the Standards, and
  - we reviewed the extraction process from the information systems to check the completeness of the data selected;
- we have reconciled the Eligibility Indicators with management data or financial statements.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional guidance; a higher level of assurance would have required more extensive audit work. Paris-La Défense, the 16 March 2022.

French original signed by  
Independent verifier  
EY & Associés  
Eric Mugnier  
Partner, Sustainable Development

## 2.10 Statutory Auditors' Attestation on the information relating to the Dassault Systèmes SE's total amount paid for sponsorship

*This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This attestation should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.*

### **Statutory auditors' attestation on the information communicated in accordance with the requirements of Article L. 225-115 5° of the French Commercial Code (*Code de commerce*) relating to the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*) for the year ended December 31, 2021**

To the Annual General Meeting of Dassault Systèmes,

In our capacity as statutory auditors of your Company and in accordance with the requirements Article L. 225-115 5° of the French Commercial Code (*Code de commerce*), we have prepared this attestation on the information relating to the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*) for the year ended December 31, 2021, contained in the attached document.

This information was prepared under your Board of Directors' responsibility. Our role is to attest this information.

In the context of our role as statutory auditors (*Commissaires aux comptes*), we have audited your Company's annual financial statements for the year ended December 31, 2021. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed for the purpose of forming an opinion on the annual financial statements taken as a whole and not on any individual component of the accounts used to determine the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*). Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any components of the accounts taken individually.

We performed those procedures which we considered necessary to comply with professional guidance issued by the by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*). These procedures, which constitute neither an audit nor a review, consisted in performing the necessary reconciliations between the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*) and the accounting records from which it derived, and verifying that it is consistent with the data used to prepare the annual financial statements for the year ended December 31, 2021.

On the basis of our works, we have no matters to report on the reconciliation of the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*), contained in the attached document and amounting to €1.955.722 with the accounting records used to prepare the annual financial statements for the year ended December 31, 2021.

This attestation shall constitute certification as accurate of the total amount of payments made in compliance with paragraphs 1 to 5 of Article 238 bis of the French Tax Code (*Code général des impôts*), within the meaning of Article L. 225-115 5° of the French Commercial Code (*Code de commerce*).

This attestation has been prepared solely for your attention within the context described above and may not be used, distributed or referred to for any other purpose.

Neuilly-sur-Seine and Paris-la Défense, March 16, 2022

The Statutory Auditors  
French original signed by

PricewaterhouseCoopers Audit  
Thierry Leroux

Ernst & Young et Autres  
Nour-Eddine Zanouda

Vélizy-Villacoublay, March 16, 2022

**Certification relating to the global amount of sums paid for sponsorship on 2021.**

The global amount of sums paid for sponsorship, which are referred to at Article 238 bis of the General Tax Code is €1,955,722 for 2021.

The global amount giving rise to fiscal deductions in 2021, is €1,955,722.

Pascal DALOZ  
Chief Operating Officer

# FINANCIAL REVIEW AND PROSPECTS

# 3

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## 3.1 Operating and Financial Review

The executive overview in paragraph 3.1.1. "Executive Overview for 2021" highlights selected aspects of our business during 2021. Financial information and definitions should be read together with our consolidated financial statements and the related notes included in paragraph 4.1.1 "Consolidated Financial Statements" prepared in accordance with IFRS accounting rules. The various definitions and methods of which can be found in Note 2 "Summary of Significant Accounting Policies" of the consolidated financial statements.

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 below.

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

Non-IFRS financial information definitions can be found in paragraph 3.1.2.3 "Non-IFRS financial information definitions". The reconciliation between this financial information and the IFRS framework can be found in paragraph 3.1.4 "IFRS Non-IFRS Reconciliation".

Between the end of the 2021 fiscal year and the filing date of this Annual report, there was no material change in the financial position or financial performance of Dassault Systèmes.

### 3.1.1 Executive Overview for 2021

	IFRS				Non-IFRS			
	2021	2020	Change	Change in cc*	2021	2020	Change	Change in cc*
<i>(in millions of euros, except percentages and per share data)</i>								
Total Revenue	€4,860.1	€4,452.2	9%	11%	€4,861.7	€4,464.8	9%	11%
Software Revenue	4,402.6	4,012.6	10%	12%	4,404.0	4,024.0	9%	11%
Services Revenue	457.5	439.6	4%	6%	457.8	440.8	4%	6%
Operating Margin	21.0%	15.0%	+5.9pts		34.3%	30.2%	+4.0pts	
Diluted net earnings per share ("EPS") (**)	€0.58	€0.37	56%		€0.95	€0.75	26%	28%

\* In constant currencies.

\*\* 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

Software Revenue <i>(in millions of euros, except percentages)</i>	IFRS				Non-IFRS			
	2021	2020	Change	Change in cc*	2021	2020	Change	Change in cc*
Americas	1,677.4	1,527.0	10%	13%	1,678.6	1,537.6	9%	13%
Europe	1,627.0	1,482.6	10%	10%	1,627.1	1,483.1	10%	10%
Asia	1,098.2	1,003.0	9%	12%	1,098.2	1,003.3	9%	12%

## 3.1.2 Financial information definitions

### 3.1.2.1 Definitions of Key Metrics We Use

#### Information in Constant Currencies

Dassault Systèmes 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 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 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 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.

The related growth rate was determined by restating the scope of activity as follows:

- for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year;
- 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. In 2021, we serve eleven industries structured into three sectors:

- Manufacturing Sector: 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 Sector: Life Sciences;
- Infrastructure & Cities Sector: Energy & Materials; Construction, Cities and Territories; 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 sales for SMEs (small and medium-sized enterprises), which includes 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 utilize the following ratios:

- 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");
- 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").

#### Adjusted Net Debt

The Adjusted Net Debt corresponds to the net financial debt position (borrowings net of cash, cash equivalent and short-term investments) adjusted of IFRS 16 lease liabilities.

**IFRS EBITDAO (Earnings Before Interest, Taxes and Amortization Operating)**

The IFRS EBITDAO corresponds to the IFRS operating income adjusted of amortization, depreciation and impairment expense of intangible and tangible assets and of non-cash share-based payment expense (excluding related social charges).

**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.

**3.1.2.2 Composition of the main items in the income statement**

**Software license revenue** represents fees earned from granting customers licenses to use the Group's software. It includes license revenue of perpetual and periodic license sales of software products and is recognized at a point in time for an arrangement when control is transferred to the client.

Subscription contracts generally have a one-year term and contain two separate performance obligations pertaining to on premise software license and support.

Subscription revenue also is derived from access to cloud solution contracts including remote access to a software solution, hosting and support services.

Support revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Support agreements are entered into in connection with the initial software license purchase. Support may be renewed by the customer at the conclusion of each term.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients.

Recurring fees for subscription and support are reported within "Software Revenue".

**Services revenue** is principally comprised of revenue from consulting services in methodology for design, simulation, deployment and support, training services and engineering services. In addition, services and other revenue also include content production for use in 3D visualization, advertising, sales and marketing.

**The cost of software revenue** includes principally software personnel costs, licensing fees paid for third-party components integrated into the Company's own products, hosting and other cloud-related costs and other expenses.

**The cost of services revenue** includes principally personnel and other costs related to organizing and providing services revenue.

**Expenses for R&D** include primarily personnel costs as well as the rental, depreciation and maintenance expenses for computer hardware used in R&D including cloud infrastructure, development tools, computer networking and communication expenses. Costs for R&D of software are expensed in the period in which they are incurred. We do not capitalize any R&D costs. A small percentage of R&D personnel pursue R&D activities in the context of providing clients with software maintenance, and their cost is thus included under cost of software revenue. Expenses for R&D are recorded net of grants received from various governmental authorities to fund certain R&D projects as well as R&D tax credits received mostly in France.

**Marketing and Sales expenses** consist primarily of:

- personnel costs, which include sales commissions and personnel expenses for processing sales transactions;
- marketing and communications expenses, including advertising;
- travel expenses;
- and marketing infrastructure costs, such as information technology resources used for marketing.

**General and administrative expenses** consist primarily of:

- personnel costs of the finance, human resources, legal and general management;
- third-party professional fees (excluding acquisition-related fees) and other expenses;
- travel expenses;
- infrastructure costs, including information technology resources.

**Amortization of acquired intangibles** includes mainly amortization of acquired technology and acquired customer relationships.

**Other operating income and (expense), net**, includes the impact of events that are unusual, infrequent or generally non-recurring in nature.

**Financial income (loss), net includes:**

- interest income and interest expense, net;
- foreign exchange gains or losses, net, primarily composed of realized and unrealized exchange gains and losses on receivables and loans denominated in foreign currencies;
- one-time financial items, net.



### 3.1.2.3 Non-IFRS financial information definitions

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.

As explained in more detail below, non-IFRS data excludes the effect of:

- adjusting the carrying value of acquired companies' contract liabilities (deferred revenue);
- the amortization of acquired intangibles assets and of tangible assets revaluation;
- lease incentives of acquired companies;
- share-based compensation expense and related social charges;
- other operating income and expense, net;
- certain one-time items included in financial income (loss), net;
- certain one-time tax effects and the income tax effects of the above adjustments.

Thus, the following are excluded from the non-IFRS financial data:

- **contract liabilities write-downs:** under IFRS, deferred revenue of an acquired company must be adjusted by writing it down to account for the fair value of obligations assumed under contracts acquired through the acquisition of the Company. As a result, in the case of a typical one-year contract, the Company's IFRS revenues for the one-year period subsequent to an acquisition do not reflect the full amount of revenue on assumed contracts that would have otherwise been recorded by the acquired entity in the absence of the acquisition.

In our supplemental non-IFRS financial information, we have excluded this write-down to the carrying value of the contract liabilities, and reflect instead the full amount of such revenue. We believe that this non-IFRS measure of revenue is useful to investors and management because it reflects a level of revenue and operational results that corresponds to the combined business activities of Dassault Systèmes and the acquired company.

However, by excluding the deferred revenue adjustment, the supplemental non-IFRS financial information reflects the total

revenue that would have been recorded by the acquired entity but may not reflect the total cost associated with generating the non-IFRS revenue;

- **amortization of acquired intangibles assets, including amortization of acquired technology, and amortization of acquired tangible assets revaluation arising from a business combination:** under IFRS, the cost of acquired intangible and tangible assets, whether acquired through acquisitions of companies or of technology or certain other intangible assets, must be recognized according to the assets' fair value and amortized over their useful life.

In its supplemental non-IFRS financial information, the Company has excluded the amortization related to acquired intangibles assets and of acquired tangible assets revaluation arising from a business combination in order to provide a consistent basis for comparing its historical results. Costs related to internally developed technology are typically expensed as incurred. For example, because it typically incurs most of its R&D costs prior to reaching technical feasibility, its R&D costs are expensed in the period in which they are incurred. By excluding the amortization expenses related to acquired intangibles, the supplemental non-IFRS financial information provides a uniform approach for evaluating the development cost of all the Company's technology, whether developed internally or acquired externally. As a result, the Company believes that the supplemental non-IFRS financial information offers investors a useful basis for comparing its historical results.

However, the acquired intangible assets and tangible assets revaluation arising from a business combination, which amortization costs are excluded contributed to revenue earned during the period, and it may not have been possible to earn such revenue without such assets. In addition, the annual amortization of acquired intangibles assets and tangible assets revaluation arising from a business combination is a recurring expense for the Group until they are fully amortized;

- **share-based compensation expense and related social charges:** under IFRS, the Company is required to recognize in its income statement all share-based compensation to employees, including grants of employee stock options and performance shares, based on their fair values over the period that an employee provides service in exchange for the award.

The Group excludes remuneration-related charges based on shares and associated social charges from its complementary non-IFRS because investors and financial analysts use valuation models that do not take such a burden into account. The exclusion of share-based compensation expense in the Company's supplemental non-IFRS financial information therefore helps them ensure the consistency of their valuation metrics. The Company's management considers the supplemental non-IFRS information that excludes share-based compensation expense when reviewing the Company's operating performance, since share-based compensation expenses can fluctuate due to factors other than the level of its business activity or operating performance.

However, share-based compensation is one component of employee compensation. By excluding it, the supplemental non-IFRS financial information does not reflect the Company's full cost of attracting, motivating and retaining its personnel. Share-based compensation expense is a recurring expense;

- **lease incentives of acquired companies:** under IFRS, the right-of-use on the company acquired leased assets has to be adjusted by the buyer when the business combination is accounted for, in order to recognize the fair value of their future lease payments. Lease incentives received, such as rent-free periods, are not included in the right-of-use evaluation. Therefore, under IFRS, amortization of right-of-use assets during the lease period does not take into account the amortization savings related to these incentives, which would have been recognized by the company acquired if it continued to operate on a standalone basis.

In its supplemental non-IFRS financial information, the Company excludes lease incentives of acquired companies such as rent-free periods;

- **other operating income and expense, net:** under IFRS, the Company has recognized certain other operating income and expense comprised of the impact of costs incurred in connection with the voluntary early retirement plan, restructuring activities, gains or losses on sale of subsidiaries, impairment of goodwill or acquired intangible assets, costs directly related to acquisitions and costs related to relocation activities and reorganizations of the Group's premises.

In its supplemental non-IFRS financial information, the Company excludes other operating income and expense

effects because of their unusual, infrequent or generally non-recurring nature.

However, other operating income and expense are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income;

- **certain non-recurring financial items, net:**

In its supplemental non-IFRS financial information, the Company excludes certain one-time items included in financial income (loss), net because of their unusual, infrequent or generally non-recurring nature.

However, these one-time items included in financial income (loss), net are components of the Company's income and expense and by excluding them the supplemental non-IFRS financial information excludes their impact to its net income;

- **certain one-time tax effects:** The Company's IFRS financial statements reflect the impact of one-time tax effects, such as restructurings of activities or tax remeasurement effects, which may result in immediate adjustment of the income tax provision.

In its supplemental non-IFRS financial information, the Company has excluded these one-time tax effects because of their unusual nature in qualitative terms. The Company does not expect such tax effects to occur as part of its normal business on a regular basis. The Company also believes that the exclusion of certain one-time tax effects facilitates a comparison of its effective tax rate between different periods.

However, these one-time tax effects are a component of the Company's income tax expense. By excluding these effects, the supplemental non-IFRS financial information understates or overstates the Company's income tax expense.

### 3.1.3 Consolidated Information: Financial Review of 2021 Compared to 2020

#### 3.1.3.1 Revenue

(in millions of euros except percentages)	IFRS				Non-IFRS			
	Year ended December 31,		Change	Change in c€ <sup>(3)</sup>	Year ended December 31,		Change	Change in c€ <sup>(3)</sup>
	2021	2020			2021	2020		
<b>Total Revenue</b>	€4,860.1	€4,452.2	9%	11%	€4,861.7	€4,464.8	9%	11%
<b>Revenue breakdown by activity</b>								
Software revenue	4,402.6	4,012.6	10%	12%	4,404.0	4,024.0	9%	11%
<i>of which licenses and other     software revenue</i>	982.9	807.5	22%	23%	982.9	807.5	22%	23%
<i>of which subscription and support     revenue</i>	3,419.7	3,205.2	7%	9%	3,421.1	3,216.5	6%	8%
Services revenue	457.5	439.6	4%	6%	457.8	440.8	4%	6%
<b>Software revenue breakdown by product line</b>								
Industrial Innovation <sup>(1)</sup>	2,417.9	2,287.6	6%	7%	2,417.9	2,288.5	6%	7%
Life Sciences <sup>(2)</sup>	898.8	787.3	14%	18%	899.8	797.3	13%	16%
Mainstream Innovation	1,085.9	937.6	16%	18%	1,086.3	938.3	16%	18%
<b>Revenue breakdown by geography</b>								
Americas	1,866.3	1,688.6	11%	14%	1,867.7	1,700.4	10%	13%
Europe	1,830.5	1,675.2	9%	9%	1,830.7	1,675.6	9%	9%
Asia	1,163.3	1,088.4	7%	9%	1,163.4	1,088.8	7%	9%

(1) Excluding ENOVIA Life Sciences Compliance and Quality Management.

(2) Including ENOVIA Life Sciences Compliance and Quality Management.

(3) In constant currencies.

#### Total Revenue

On an organic basis and at constant exchange rates, total revenue was up 11% in both IFRS and non-IFRS following a widespread demand in all the regions and product lines. The key drivers which are **3DEXPERIENCE** and *cloud* registered a strong growth in 2021.

Changes in exchange rates had a negative impact on total revenue of about 2 percentage points in both IFRS and non-IFRS.

#### Software revenue by activity

On an organic basis and at constant exchange rates, software revenue increased by 12% (IFRS) and by 11% (non-IFRS) following a strong growth of 23% in licensing and other software sales (in both IFRS and non-IFRS) and a 9% increase in subscription revenue (8% in non-IFRS). Changes in exchange rates had a negative impact on software revenue of about 2 percentage points in both IFRS and non-IFRS:

- IFRS and non-IFRS licenses and other software revenue registered a strong rebound in 2021;
- subscription grew double digits in both IFRS and non-IFRS while IFRS and non-IFRS support was affected by the 2020 licenses and other software moderate performance. Recurring non-IFRS software revenue remains high, representing 78% of non-IFRS software revenue in 2021;
- non-IFRS **3DEXPERIENCE** software revenue rose 15% at constant exchange rates to 30% of non-IFRS software revenue driven by very sharp subscription growth. The strong value proposition of the **3DEXPERIENCE** platform continues to be a key factor in driving large client wins;
- non-IFRS cloud software revenue grew 23% in constant currencies to 20% of software non-IFRS revenue. In 2021, cloud solutions continued to be adopted by customers with MEDIDATA and there is an acceleration of the adoption of **3DEXPERIENCE** on the cloud by clients, both at the enterprise and mainstream levels.

On an organic basis and at constant exchange rates, services revenue rose 6% (IFRS) and 5% (non-IFRS).

Changes in exchange rates had a negative impact on services revenue of about 2 percentage points in both IFRS and non-IFRS.

### Product Line Revenue

- Industrial Innovation IFRS and non-IFRS software revenue rose 7% in constant currencies to €2.42 billion, with licenses and other revenue up 21% (IFRS and non-IFRS), driven by broad-based growth across brands. CATIA reported double-digit licenses and other software revenue growth (IFRS and non-IFRS). SIMULIA and DELMIA also showed noteworthy strength;
- Life Sciences IFRS software revenue grew 18% in constant currencies to €898.8 million; non-IFRS revenue rose 16% in constant currencies to €899.8 million. Bookings remained dynamic. MEDIDATA continued to see strong momentum across its product portfolio including MEDIDATA Rave, MEDIDATA Acorn AI and MEDIDATA Patient Cloud, as well as for our direct customers among pharmaceutical

and biotechnology companies and contract research organizations (CROs);

- Mainstream Innovation software revenue was €1.09 billion in IFRS and non-IFRS, rising 18% in constant currencies. SOLIDWORKS continued to perform, capitalizing on broad-based demand and benefiting from larger deal sizes during the 2021 fourth quarter. CENTRIC PLM also performed well with high double-digit non-IFRS software revenue growth.

### Software Revenue by Region

In both IFRS and non-IFRS and in constant currencies:

- Americas revenue rose 13% to 38% of software revenue, with strong performance in High-Tech, Transportation & Mobility and Life Sciences;
- Europe revenue grew 10% to 37% of software revenue with an increase broad based demand in each country. In particular, Transportation & Mobility, Industrial Equipment rose double digit;
- Asia revenue increased 12% to 25% of software revenue with a noteworthy 19% growth in China.

## 3.1.3.2 Operating Expenses

	IFRS			Non-IFRS		
	Year ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
<i>(in millions of euros, except percentages)</i>						
<b>Cost of software revenue</b> (excluding amortization of acquired intangibles and of tangible assets revaluation) (as % of total revenue)	€(407.3) (8.4)%	€(341.5) (7.7)%	19%	€(396.5) (8.2)%	€(334.7) (7.5)%	18%
<b>Cost of services revenue</b> (as % of total revenue)	€(383.0) (7.9)%	€(408.1) (9.2)%	(6%)	€(375.5) (7.7)%	€(401.1) (9.0)%	(6%)
<b>Research and development expenses</b> (as % of total revenue)	€(949.3) (19.5)%	€(935.4) (21.0)%	1%	€(863.4) (17.8)%	€(858.4) (19.2)%	1%
<b>Marketing and sales expenses</b> (as % of total revenue)	€(1,299.9) (26.7)%	€(1,256.3) (28.2)%	3%	€(1,229.2) (25.3)%	€(1,193.6) (26.7)%	3%
<b>General and administrative expenses</b> (as % of total revenue)	€(400.8) (8.2)%	€(390.7) (8.8)%	3%	€(331.0) (6.8)%	€(327.2) (7.3)%	1%
<b>Amortization of acquired intangible assets and of tangible assets revaluation</b>	€(369.0)	€(394.5)	(6%)	-	-	
<b>Other operating income and (expense), net</b>	€(31.3)	€(56.0)	(44%)	-	-	
<b>TOTAL OPERATING EXPENSES</b>	<b>€(3,840.7)</b>	<b>€(3,782.5)</b>	<b>2%</b>	<b>€(3,195.5)</b>	<b>€(3,115.0)</b>	<b>3%</b>

On an organic basis and at constant exchange rates, IFRS operating expenses increased by 3% and by 4% in non-IFRS. Currency had a positive effect of about 2 percentage points in both IFRS and non-IFRS.

The increase in the cost of software sales (excluding amortization of intangible assets acquired and revaluations of tangible assets) was mainly related to the organic increase in the average workforce and associated costs and the increase in spending related to external service providers, IT and cloud hosting. These increases were partially offset by the positive effect of exchange rates for approximately 3 percentage points in both IFRS and non-IFRS. On an organic basis and at constant exchange rates, the cost of sales of IFRS software increased by 22% and by 21% in non-IFRS.

Lower cost of service delivery resulted from optimization of service outsourcing spending, lower travel costs as a result of restrictions imposed by the COVID-19 health crisis and the positive effect of exchange rates of approximately 1 percentage point in both IFRS and non-IFRS. On an organic basis and at constant exchange rates, the cost of providing services decreased by 6% in both IFRS and non-IFRS.

R&D expenditure is recognised as an expense in the period in which it is incurred and therefore are not locked in. The increase in these expenditures was mainly due to the organic increase in the average workforce and associated costs offset in part

by the positive effect of exchange rates for approximately 2 percentage points in both IFRS and non-IFRS. On an organic basis and at constant exchange rates, R&D expenditures increased by 3% in IFRS and 2% in non-IFRS.

The increase in commercial expenses was mainly due to an increase in the average workforce and higher commissions following the 2021 sales performance partially offset by lower travel costs as a result of restrictions imposed by the COVID-19 health crisis and by the positive effect of exchange rates for about 1 percentage point in IFRS and 2 percentage points in non-IFRS. On an organic basis and at constant exchange rates, commercial expenses increased by 5% in IFRS and 4% in non-IFRS.

On an organic basis and at constant exchange rates, general and administrative expenses increased by 3% in IFRS and by 2% in non-IFRS.

Under IFRS, depreciation of acquired intangible assets decreased in 2021 in line with depreciation plans, some of which matured in 2020.

Under IFRS, the decrease in other operating income and (expenses) was mainly explained by the implementation, in February 2020, of a multi-year management plan for end-of-career management based on volunteering, as part of a program to manage jobs and career paths in France.

**3.1.3.3 Operating income**

<i>(in millions of euros, except percentages)</i>	IFRS			Non-IFRS		
	Year ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
<b>Operating Income</b>	€1,019.4	€669.7	52%	€1,666.2	€1,349.8	23%
Operating margin (as % of total revenue)	21.0%	15.0%		34.3%	30.2%	

The increase in operating margin was mainly due to an organic growth in both IFRS and non-IFRS generated by the combined effect of revenue growth and operating expenses control.

Non-FRS operating margin growth was driven by an organic growth of 440 basis points partly offset by a net negative exchange rate effect of 10 basis points and by the dilutive effect of acquisitions for 30 basis points (including Medidata).

The increase in IFRS operating margin reflected the same factors and also benefited from the decrease in depreciation of acquired intangible assets and of other operating income and (expenses), offset in part by higher share-based compensation expense and related social charges due to share price growth and to the employee shareholding plan «TOGETHER» launched in 2021.

**3.1.3.4 Financial income (loss), net**

<i>(in millions of euros, except percentages)</i>	IFRS			Non-IFRS		
	Year ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
<b>Financial loss, net</b>	€(15.1)	€(23.4)	(35%)	€(13.7)	€(22.3)	(39%)

Under IFRS and non-IFRS basis, the increase in financial income was mainly due to lower interest charges, in connection with the prepayment in October 2020 and July 2021 of a portion of the borrowings issued as part of the financing of the

acquisition of Medidata Solutions, Inc. the effect of which has been partially offset by lower interest rates on cash and cash equivalents.

### 3.1.3.5 Income tax expense

	IFRS			Non-IFRS		
	Year ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
<i>(in millions of euros, except percentages)</i>						
<b>Income tax expense</b>	€(230.4)	€(160.8)	43%	€(383.3)	€(332.8)	15%
Effective consolidated tax rate	22.9%	24.9%		23.2%	25.1%	

Under IFRS and non-IFRS basis, the income tax burden increased as a result of higher pre-tax income. This effect was partly offset by the decrease in the effective tax rate, mainly due to the decrease in the corporate tax rate in France.

### 3.1.3.6 Net income and net income per diluted share

	IFRS			Non-IFRS		
	Year ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
<i>(in millions of euros, except per share data and percentages)</i>						
<b>Net Income attributable to Equity holders of the Group</b>	€773.7	€491.0	58%	€1,265.3	€994.7	27%
<b>Diluted earnings per share*</b>	€0.58	€0.37	56%	€0.95	€0.75	26%
Diluted weighted average number of shares outstanding (in millions)*	1,332.1	1,320.9		1,332.1	1,320.9	

\* 2020 data has been restated to reflect the five-fold division of the nominal value of the Dassault Systèmes share effective July 7, 2021.

Non-IFRS diluted net income per share increased 28% at constant exchange rates.

### 3.1.4 IFRS non-IFRS reconciliation

The main items in the income statement are defined in paragraph 3.1.2 "Financial information definitions".

(in millions of euros, except percentages and per share data)	Year ended December 31,						Variation	
	2021 IFRS	Adjust- ment <sup>(1)</sup>	2021 non-IFRS	2020 IFRS	Adjust- ment <sup>(1)</sup>	2020 non-IFRS	IFRS	Non-IFRS <sup>(2)</sup>
<b>Total Revenue</b>	<b>€4,860.1</b>	<b>€1.6</b>	<b>€4,861.7</b>	<b>€4,452.2</b>	<b>€12.6</b>	<b>€4,464.8</b>	<b>9%</b>	<b>9%</b>
<b>Revenue breakdown by activity</b>								
Software revenue	4,402.6	1.4	4,404.0	4,012.6	11.4	4,024.0	10%	9%
Licenses and other software revenue	982.9	-	982.9	807.5	-	807.5	22%	22%
Subscription and Support revenue	3,419.7	1.4	3,421.1	3,205.2	11.4	3,216.5	7%	6%
<i>Recurring portion of software revenue</i>	<i>78%</i>		<i>78%</i>	<i>80%</i>		<i>80%</i>		
Services revenue	457.5	0.2	457.8	439.6	1.2	440.8	4%	4%
<b>Software Revenue breakdown by product line</b>								
Industrial Innovation	2,417.9	-	2,417.9	2,287.6	0.8	2,288.5	6%	6%
Life Sciences	898.8	1.0	899.8	787.3	9.9	797.3	14%	13%
Mainstream Innovation	1,085.9	0.4	1,086.3	937.6	0.6	938.3	16%	16%
<b>Revenue breakdown by geography</b>								
Americas	1,866.3	1.4	1,867.7	1,688.6	11.8	1,700.4	11%	10%
Europe	1,830.5	0.2	1,830.7	1,675.2	0.4	1,675.6	9%	9%
Asia	1,163.3	0.0	1,163.4	1,088.4	0.4	1,088.8	7%	7%
<b>Total Operating Expenses</b>	<b>(3,840.7)</b>	<b>645.2</b>	<b>(3,195.5)</b>	<b>(3,782.5)</b>	<b>667.5</b>	<b>(3,115.0)</b>	<b>2%</b>	<b>3%</b>
Share-based compensation expense and related social charges	(242.1)	242.1	-	(214.1)	214.1	-		
Amortization of acquired intangible assets and of tangible assets revaluation	(369.0)	369.0	-	(394.5)	394.5	-		
Lease incentives of acquired companies	(2.8)	2.8	-	(2.9)	2.9	-		
Other operating income and expense, net	(31.3)	31.3	-	(56.0)	56.0	-		
<b>Operating Income</b>	<b>1,019.4</b>	<b>646.8</b>	<b>1,666.2</b>	<b>669.7</b>	<b>680.1</b>	<b>1,349.8</b>	<b>52%</b>	<b>23%</b>
<b>Operating Margin</b>	<b>21.0%</b>		<b>34.3%</b>	<b>15.0%</b>		<b>30.2%</b>		
Financial loss, net	(15.1)	1.4	(13.7)	(23.4)	1.1	(22.3)	(35%)	(39%)
<b>Income before Income Taxes</b>	<b>1,004.3</b>	<b>648.3</b>	<b>1,652.5</b>	<b>646.3</b>	<b>681.2</b>	<b>1,327.5</b>	<b>55%</b>	<b>24%</b>
Income tax expense	(230.4)	(152.9)	(383.3)	(160.8)	(172.0)	(332.8)	43%	15%
Non-controlling interest	(0.2)	(3.8)	(4.0)	5.5	(5.5)	0.0	(103%)	N/A
<b>Net Income attributable to shareholders</b>	<b>€773.7</b>	<b>€491.6</b>	<b>€1,265.3</b>	<b>€491.0</b>	<b>€503.7</b>	<b>€994.7</b>	<b>58%</b>	<b>27%</b>
<b>Diluted net income per share<sup>(3)</sup></b>	<b>€0.58</b>	<b>€0.37</b>	<b>€0.95</b>	<b>€0.37</b>	<b>€0.38</b>	<b>€0.75</b>	<b>56%</b>	<b>26%</b>

(1) In the reconciliation schedule above, (i) all adjustments to IFRS revenue data reflect the exclusion of the effect of adjusting the carrying value of acquired companies' contract liabilities (deferred revenue); (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, including related social charges, 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 included in financial loss, net, and and (iv) all adjustments to IFRS income data reflect the combined effect of these adjustments, plus with respect to net income and diluted earnings 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 1,332.1 million diluted shares for the 2021 and 1,320.9 million diluted shares for the 2020. 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.



## Year ended December 31,

(in millions of euros)	Share-based compensation expense and relates social charges				Lease incentives of acquired companies			
	2021 IFRS	2021 non-IFRS	2020 IFRS	2020 non-IFRS	2021 IFRS	2021 non-IFRS	2020 IFRS	2020 non-IFRS
Cost of revenue	€(790.3)	€17.6	€0.8	€(771.9)	€(749.7)	€13.1	€0.8	€(735.8)
Research and development	(949.3)	84.6	1.3	(863.4)	(935.4)	75.7	1.3	(858.4)
Marketing and sales	(1,299.9)	70.3	0.4	(1,229.2)	(1,256.3)	62.3	0.4	(1,193.6)
General and administrative	(400.8)	69.6	0.3	(331.0)	(390.7)	63.1	0.4	(327.2)
<b>TOTAL</b>		<b>€242.1</b>	<b>€2.8</b>			<b>€214.1</b>	<b>€2.9</b>	

### 3.1.5 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 is comprised of subscription

revenue and support revenue. IFRS and non-IFRS Recurring software revenue represented 78% and 80% of total software revenue in 2021 and 2020, 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 the on-premise subscription in the first quarter. In addition, year-over-year growth comparisons may be impacted by changes in timing of annual on premise subscription renewals.

(in millions of euros, except percentages)	IFRS					Non-IFRS				
	For the Year Ended December 31,					For the Year Ended December 31,				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Licenses and Other Software	203.8	223.1	208.3	347.6	982.9	203.8	223.1	208.3	347.6	982.9
<b>Seasonality %</b>	<b>20.7%</b>	<b>22.7%</b>	<b>21.2%</b>	<b>35.4%</b>	<b>100.0%</b>	<b>20.7%</b>	<b>22.7%</b>	<b>21.2%</b>	<b>35.4%</b>	<b>100.0%</b>
Subscription & Support Revenue	864.0	827.6	836.3	891.8	3,419.7	864.6	828.2	836.4	891.9	3,421.1
<b>Seasonality %</b>	<b>25.3%</b>	<b>24.2%</b>	<b>24.5%</b>	<b>26.1%</b>	<b>100.0%</b>	<b>25.3%</b>	<b>24.2%</b>	<b>24.4%</b>	<b>26.1%</b>	<b>100.0%</b>
<b>Software Revenue</b>	<b>€1,067.8</b>	<b>€1,050.7</b>	<b>€1,044.6</b>	<b>€1,239.5</b>	<b>€4,402.6</b>	<b>€1,068.4</b>	<b>€1,051.3</b>	<b>€1,044.7</b>	<b>€1,239.6</b>	<b>€4,404.0</b>
<b>Seasonality %</b>	<b>24.3%</b>	<b>23.9%</b>	<b>23.7%</b>	<b>28.2%</b>	<b>100.0%</b>	<b>24.3%</b>	<b>23.9%</b>	<b>23.7%</b>	<b>28.1%</b>	<b>100.0%</b>

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, 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 could 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 could vary significantly and that our net income could vary significantly, reflecting the change in revenues, together with the effects of our investment plans. See paragraphs 1.9.1.1 "Uncertain Global Economic Environment" and 1.9.1.11 "Variability in Dassault Systèmes' Quarterly Operating Income" in Risk Factors.

### 3.1.6 Capital Resources

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

Our net financial position improved to €(0.89) billion at December 31, 2021 (net debt), compared to €(2.04) billion at December 31, 2020, with an increase in cash and cash equivalents and short-term investments of €0.83 billion to

€2.98 billion from €2.15 billion, less debt related to borrowings of €3.87 billion compared to €4.19 billion in 2020.

As of December 31, 2021, Dassault Systèmes Adjusted Net Debt/IFRS EBITDAO ratio stood at 0.8 compared to 1.8 in 2020, based on an Adjusted Net Debt including the lease liabilities as reported under IFRS 16 of €1,490.6 million (€2,684.8 million in 2020) and an IFRS EBITDAO of €1,767.7 million compared to €1,452.5 million in 2020.

The 2020 and 2021 IFRS EBITDAO and adjusted net debt data are determined as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Reported Financial Net Debt	889.5	2,041.4
Operating leases liabilities (IFRS 16)	601.2	643.3
<b>ADJUSTED NET DEBT</b>	<b>€1,490.6</b>	<b>€2,684.8</b>
Operating income	1,019.4	669.7
Amortization and impairment on intangible assets	383.1	414.9
Amortization and depreciation of tangible assets and right of use (IFRS 16)	193.5	189.6
<b>REPORTED EBITDA</b>	<b>€1,596.0</b>	<b>€1,274.2</b>
Share-based payments, excluding related social charges	171.6	178.3
<b>EBITDAO</b>	<b>€1,767.7</b>	<b>€1,452.5</b>
<b>ADJUSTED NET DEBT/EBITDAO</b>	<b>0,8 x</b>	<b>1.8 x</b>

In 2021, our main sources of liquidity came from the cash generated by the business, amounting to €1,613.1 billion (€1,241.3 million in 2020) and from the exercise of stock options for €156.0 million (€87.7 million in 2020). During this period, the cash generated by the operating activities was mainly used for the payment of dividends totaling €147.1 million (€182.5 million in 2020), for own share purchases for €283.2 million (€166.2 million in 2020) related to equity-based remuneration, for acquisitions of assets in the amount of €103.7 million (€127.0 million in 2020), for the payment of rent debts for €97.6 million (€93.3 million in 2020) and loan repayments for €341.2 million (€400.9 million in 2020).

Exchange rate fluctuations, in particular the US dollar, had a positive translation effect, on cash and cash equivalent balances, of €89.8 million as of December 31, 2021, compared to a negative translation effect of €87.4 million as of December 31, 2020.

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.

See also the Consolidated Statements of Cash Flows in paragraph 4.1.1 "Consolidated Financial Statements".

## 3.2 Financial Objectives

Dassault Systèmes financial objective for 2022 presented below are on a non-FRS basis and reflect the key 2022 exchange rate assumptions for the US dollar and Japanese yen as well as the potential impact of additional non-European currencies:

	<b>2022 year</b>
Total Revenue	€5.300 to €5.350 billion
Growth at courant exchange rates	+9-10%
Growth at constant exchange rates*	+9-10%
Software revenue growth at constant exchange rates*	+9-10%
<i>Of which licenses and other software revenue growth*</i>	+10-12%
<i>Of which recurring revenue growth*</i>	+9-9.5%
Services revenue growth*	+8-9%
Operating margin	32.7%-33.1%
EPS Diluted	€0.98-€1.00
Growth at courant exchange rates	+3%-6%
<i>US dollar</i>	<i>\$1.17 per Euro</i>
<i>Japanese yen (before hedging)</i>	<i>JPY 130.0 per Euro</i>

\* Growth at constant exchange rates: see paragraph 3.1.2.1 "Definitions of Key Metrics We Use" – Information 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 Russian invasion of Ukraine is above all a human tragedy. Dassault Systèmes has implemented all actions to suspend its business operations in Russia, which represent less than 0.5% of non-IFRS revenues in 2021.

The 2022 non-IFRS financial objectives set forth above do not take into account the following accounting elements below and are estimated based upon the 2022 principal currency exchange rates above: contract liabilities write-downs estimated at approximately €0.2 million; share-based compensation expenses, including related social charges, estimated at approximately €151.1 million (these estimates do not include any new stock option or share grants issued after December 31, 2021); amortization of acquired intangibles and of tangibles reevaluation, estimated at approximately €360.8 million, largely impacted by the acquisition of Medidata; 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 acquisitions or restructuring completed after December 31, 2021.

The data presented above includes statements on our operational framework and future financial performance targets from Dassault Systèmes. These forward-looking statements are based on the views and assumptions of the Group's management at the date of this Universal registration document and involve known and unknown risks and uncertainties. Our results and performance may be negatively and significantly affected, and may differ from those mentioned in these statements, due to a set of factors described in this Universal registration document. For more information on the risks incurred by the Group, see paragraph 1.9 "Risk factors".

### 3.3 Interim and Other Financial Information

Dassault Systèmes has not published any quarterly or half-year financial information since the date of its last audited financial statements.

# FINANCIAL STATEMENTS

# 4

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The consolidated and parent company financial statements below will be submitted for approval at the General Meeting of Shareholders of Dassault Systèmes scheduled for May 19, 2022.

## 4.1 Consolidated Financial Statements

### 4.1.1 Consolidated Financial Statements

#### Consolidated Statements of Income

<i>(in millions of euros, except per share data)</i>	Note	Year ended December 31,	
		2021	2020
Licenses and other software revenue		€982.9	€807.5
Subscription and support revenue		3,419.7	3,205.2
<b>Software revenue</b>	<b>4</b>	<b>4,402.6</b>	<b>4,012.6</b>
Services revenue		457.5	439.6
<b>TOTAL REVENUE</b>		<b>4,860.1</b>	<b>4,452.2</b>
Cost of software revenue		(407.3)	(341.5)
Cost of services revenue		(383.0)	(408.1)
Research and development expenses		(949.3)	(935.4)
Marketing and sales expenses		(1,299.9)	(1,256.3)
General and administrative expenses		(400.8)	(390.7)
Amortization of acquired intangible assets and of tangible assets revaluation		(369.0)	(394.5)
Other operating income and expense, net	8	(31.3)	(56.0)
<b>OPERATING INCOME</b>		<b>1,019.4</b>	<b>669.7</b>
Financial loss, net	9	(15.1)	(23.4)
<b>PROFIT BEFORE TAX</b>		<b>1,004.3</b>	<b>646.3</b>
Income tax expense	10	(230.4)	(160.8)
<b>NET INCOME</b>		<b>€773.8</b>	<b>€485.5</b>
Attributable to:			
Equity holders of the Group		€773.7	€491.0
Non-controlling interests		€0.2	€(5.5)
<b>Earnings per share*</b>			
Basic earnings per share	11	€0.59	€0.38
Diluted earnings per share	11	€0.58	€0.37

\* 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 22 Shareholders' Equity).

## Consolidated Statements of Comprehensive Income

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>NET INCOME</b>		<b>€773.8</b>	<b>€485.5</b>
(Loss) Gain on hedging reserves	22	(16.6)	36.0
Income tax related to above items		5.0	(13.7)
Foreign currency translation adjustment		615.0	(664.1)
<b>Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods</b>		<b>603.4</b>	<b>(641.8)</b>
Remeasurements of defined benefit pension plans	21	5.1	4.7
Remeasurements of investments in non-consolidated equities		(4.4)	(4.1)
Income tax related to above items		(0.5)	-
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		<b>0.1</b>	<b>0.6</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		<b>603.6</b>	<b>(641.2)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>€1,377.4</b>	<b>€(155.7)</b>
Attributable to:			
Equity holders of the Group		€1,374.5	€(146.3)
Non-controlling interests		€2.9	€(9.4)

## Consolidated Balance Sheets

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>Assets</b>			
Cash and cash equivalents	12	€2,979.5	€2,148.9
Trade accounts receivable, net	13	1,366.3	1,229.1
Contract assets	13	12.7	27.0
Income tax receivable		120.6	152.7
Other current assets	13	239.9	202.7
<b>TOTAL CURRENT ASSETS</b>		<b>4,719.0</b>	<b>3,760.3</b>
Property and equipment, net	14	817.0	861.1
Other non-current assets	15	309.4	252.4
Deferred tax assets	10	198.3	153.1
Intangible assets, net	16	3,462.5	3,546.8
Goodwill	17	4,712.4	4,390.5
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,499.7</b>	<b>9,203.9</b>
<b>TOTAL ASSETS</b>		<b>€14,218.7</b>	<b>€12,964.2</b>
<i>(in millions of euros)</i>			
<b>Liabilities and equity</b>			
Trade accounts payable		€192.4	€171.7
Accrued compensation and other personnel costs		587.7	496.1
Contract liabilities	13	1,304.4	1,169.1
Borrowings, current	19	903.3	16.0
Income tax payable		17.7	17.2
Other current liabilities	18	464.9	216.7
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,470.3</b>	<b>2,086.9</b>
Deferred tax liabilities	10	571.1	625.3
Borrowings, non-current	19	2,966.4	4,174.3
Other non-current liabilities	18	999.9	971.5
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,537.4</b>	<b>5,771.2</b>
Common stock		133.3	132.6
Share premium		1,108.0	954.0
Treasury stock		(730.5)	(442.1)
Retained earnings and other reserves		5,712.6	5,043.7
Other comprehensive income, net of tax		(26.0)	(626.9)
<b>Total parent shareholders' equity</b>		<b>6,197.3</b>	<b>5,061.3</b>
Non-controlling interests		13.7	44.8
<b>TOTAL EQUITY</b>	<b>22</b>	<b>6,211.0</b>	<b>5,106.1</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>€14,218.7</b>	<b>€12,964.2</b>



## Consolidated Statements of Cash Flows

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>NET INCOME</b>		<b>€773.8</b>	<b>€485.5</b>
Adjustments for non-cash items	23	705.1	742.5
Changes in operating assets and liabilities	23	134.3	13.3
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,613.1</b>	<b>1,241.3</b>
Additions to property, equipment and intangibles	14, 16	(103.7)	(127.0)
Payment for acquisition of businesses, net of cash acquired	23	(21.4)	(89.5)
Other		(35.3)	8.5
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(160.4)</b>	<b>(208.0)</b>
Proceeds from exercise of stock options		156.0	87.7
Cash dividends paid	22	(147.1)	(182.5)
Repurchase and sale of treasury stock	22	(283.2)	(166.2)
Acquisition of non-controlling interests		(0.1)	(5.2)
Proceeds from borrowings	19	1.3	18.5
Repayment of borrowings	19	(341.2)	(400.9)
Repayment of lease liabilities		(97.6)	(93.3)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(711.9)</b>	<b>(741.9)</b>
Effect of exchange rate changes on cash and cash equivalents		89.8	(87.4)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>830.6</b>	<b>204.0</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>2,148.9</b>	<b>1,944.9</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>€2,979.5</b>	<b>€2,148.9</b>
Supplemental disclosure			
Income taxes paid		€141.4	€250.4
Cash paid for interest		€23.4	€33.6
Total cash outflow for leases		€115.6	€115.1

## 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
<b>DECEMBER 31, 2019</b>		<b>€132.0</b>	<b>€863.3</b>	<b>€(450.2)</b>	<b>€4,653.2</b>	<b>€10.4</b>	<b>€5,208.7</b>	<b>€53.9</b>	<b>€5,262.6</b>
Net income		-	-	-	491.0	-	491.0	(5.5)	485.5
Other comprehensive income, net of tax		-	-	-	-	(637.3)	(637.3)	(3.9)	(641.2)
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-	-	<b>491.0</b>	<b>(637.3)</b>	<b>(146.3)</b>	<b>(9.4)</b>	<b>(155.7)</b>
Dividends	22	-	-	-	(182.5)	-	(182.5)	-	(182.5)
Exercise of stock options		0.5	90.7	-	-	-	91.2	-	91.2
Treasury stock transactions		-	-	8.1	(174.3)	-	(166.2)	-	(166.2)
Share-based compensation	6, 7	-	-	-	175.7	-	175.7	0.8	176.5
Transactions with non-controlling interests		-	-	-	47.4	-	47.4	(0.6)	46.8
Other changes		-	-	-	33.2	-	33.2	0.1	33.3
<b>DECEMBER 31, 2020</b>		<b>€132.6</b>	<b>€954.0</b>	<b>€(442.1)</b>	<b>€5,043.7</b>	<b>€(626.9)</b>	<b>€5,061.3</b>	<b>€44.8</b>	<b>€5,106.1</b>
Net income		-	-	-	773.7	-	773.7	0.2	773.8
Other comprehensive income, net of tax		-	-	-	-	600.8	600.8	2.7	603.6
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-	-	<b>773.7</b>	<b>600.8</b>	<b>1,374.5</b>	<b>2.9</b>	<b>1,377.4</b>
Dividends	22	-	-	-	(147.1)	-	(147.1)	-	(147.1)
Exercise of stock options		0.7	154.0	-	-	-	154.7	-	154.7
Treasury stock transactions		-	-	(288.4)	(233.4)	-	(521.8)	-	(521.8)
Share-based compensation	6, 7	-	-	-	169.8	-	169.8	0.7	170.5
Transactions with non-controlling interests	22	-	-	-	12.6	-	12.6	(34.7)	(22.1)
Other changes		-	-	-	93.3	-	93.3	-	93.3
<b>DECEMBER 31, 2021</b>		<b>€133.3</b>	<b>€1,108.0</b>	<b>€(730.5)</b>	<b>€5,712.6</b>	<b>€(26.0)</b>	<b>€6,197.3</b>	<b>€13.7</b>	<b>€6,211.0</b>

## 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
<b>DECEMBER 31, 2019</b>	<b>€3.4</b>	<b>€4.1</b>	<b>€82.6</b>	<b>€(79.6)</b>	<b>€10.4</b>	<b>€1.1</b>	<b>€11.6</b>
Variations	(3.4)	22.3	(660.2)	4.0	(637.3)	(3.9)	(641.2)
<b>DECEMBER 31, 2020</b>	<b>€-</b>	<b>€26.4</b>	<b>€(577.6)</b>	<b>€(75.6)</b>	<b>€(626.9)</b>	<b>€(2.8)</b>	<b>€(629.6)</b>
Variations	(3.8)	(11.6)	612.3	3.9	600.8	2.7	603.6
<b>DECEMBER 31, 2021</b>	<b>€(3.8)</b>	<b>€14.8</b>	<b>€34.7</b>	<b>€(71.7)</b>	<b>€(26.0)</b>	<b>€-</b>	<b>€(26.0)</b>

## Notes to the Consolidated Financial Statements

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

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## 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; and a portion of Business Services;
- Life Sciences & Healthcare: Life Sciences & Healthcare;

- Infrastructure & Cities: Energy & Materials; Construction, Cities & Territories; 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, and information intelligence applications, powered by its **3DEXPERIENCE** platform.

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.

The Dassault Systèmes SE shares are listed on Euronext Paris and Groupe Industriel Marcel Dassault (GIMD) is the main shareholder, see paragraph 6.3.2 “Controlling Shareholder”.

## Note 2 Summary of Significant Accounting Policies

### Basis of preparation and consolidation

The accompanying consolidated financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union as of December 31, 2021. These consolidated financial statements were established by the Board of Directors on March 15, 2022.

The consolidated financial statements are presented in millions of euros except where otherwise indicated. Some total rounding difference may occur.

The consolidated financial statements include the accounts of Dassault Systèmes SE and its subsidiaries. Companies over which the Group has control are fully consolidated. The Group controls an entity when (i) it has power over this entity, (ii) is exposed to or has rights to variable returns from its involvement with that entity, and (iii) has the ability to use its power over that entity to affect the amount of those returns. Companies over which the Group exercises significant influence are accounted for under the equity method. Intercompany transactions and balances are eliminated.

### Impact of significant recently issued accounting standards

New standards, interpretations or amendments effective beginning on January 1, 2021 had no significant impact on the Group’s consolidated financial statements.

The Group undertakes no early application of any standard or interpretation or associated amendments which were already published in the Official Journal of the European Union at December 31, 2021.

Standards, amendments and interpretations published by the IASB and not yet approved by the EU do not have a significant impact on the consolidated financial statements at December 31, 2021.

### Summary of significant accounting policies

#### Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements.

Areas involving the use of significant estimates and assumptions mainly include: assessing product lifecycles; identifying the different elements comprising a software solution arrangement, including the distinction between upgrades/enhancements, new products and services, contract price allocation to the different elements based on their standalone selling prices and determining the revenue recognition date of those elements; determining when technological feasibility is achieved for its products; estimating the recoverable amount of goodwill; determining the nature, fair value and useful life of acquired intangible assets in a business combination; determining assumptions to estimate the fair value of share-based compensation; assessing the recognition of deferred tax assets; and making reasonable estimates about the ultimate resolution of the Group’s tax uncertainties based on current tax laws and the Group’s interpretation thereof.

Moreover, climate risks did not have a significant impact on the Group's estimates and judgments (see paragraph 2.5 "Environmental responsibility" of the Universal registration document). Actual results and outcomes could differ from management's estimates and assumptions.

### Foreign currency adjustments

The functional currency of the Group's foreign subsidiaries is generally the applicable local currency. Assets and liabilities with functional currencies other than the euro are translated into euro equivalents at the rate of exchange in effect on the balance sheet date. Revenues, expenses and cash flows are translated at the average exchange rates for the year unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues, expenses and cash flows are translated at the rate on the dates of the transactions. Translation gains or losses are recorded in Other items in shareholders' equity.

Exchange differences on the settlement or retranslation of monetary items in a currency other than the Group's and its subsidiaries' functional currency are recorded in the statement of income.

### Revenue recognition

The Group derives revenue from two primary sources: (i) licenses, other software revenue (which includes the development of additional functionalities of standard products requested by clients), subscription and support (which includes software license updates and technical support); (ii) consulting and training services.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

The Group accounts for a contract with a client when there is a written agreement that creates legally enforceable rights and obligations, including payment terms, when the contract has commercial substance and when collection consideration is probable. A performance obligation is a promise in a contract with a client to transfer products or services that are distinct from the other promises of the contract.

Revenue is recognized when, or as, control of a promised product or service is transferred to a client, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

Group's products are also sold by value-added resellers that are assessed as principal in the transaction because they generally have the primary responsibility for fulfillment to the end-customer. As a result, the Group recognizes revenue in the amount of the fee it expects to be entitled to, i.e. the consideration paid by the distributor, assuming all other revenue recognition criteria are met.

### *Licenses, subscription, support and other software revenue*

Software license revenue represents fees earned from granting customers licenses to use the Group's software. It includes license revenue of perpetual and periodic license sales of software products and is recognized at a point in time for an arrangement when control is transferred to the client.

Subscription contracts generally have a one-year term and contain two separate performance obligations pertaining to on premise software license and support. The revenue from such arrangements is recognized in line with revenue from arrangements with multiple performance obligations.

Subscription revenue also is derived from access to cloud solution contracts including remote access to a software solution, hosting and support services. Revenue from cloud subscription is generally recognized linearly over the contractual term.

Support revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Support agreements are entered into in connection with the initial software license purchase. Support may be renewed by the customer at the conclusion of each term. Revenue from support is recognized on a straight-line basis over the term of the support agreement as the Group has a standing ready obligation to provide services.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized when the development work is performed.

Recurring fees for subscription and support are reported within "Software Revenue".

Revenue under arrangements with multiple performance obligations, which typically include software licenses, support and/or services agreements sold together is allocated to each distinct performance obligation based on their standalone selling price.

The stand-alone selling price is the price at which the Group would sell a promised product or service separately to a client. The Group generally establishes stand-alone selling price based on the observable prices of products or services sold separately in comparable circumstances to similar clients. Estimating stand-alone selling price is a formal process that includes review and approval by the Group's management.

In certain instances, e.g. perpetual software licenses only sold bundled with one year of support, the Group is not able to establish a standalone selling price range based on observable prices. The stand-alone selling price is then determined by applying the residual approach.

When a sale of a license goes along with a service essential to the software functionality, the two performance obligations (software and service) are not distinct. Therefore, the license revenue is recognized in accordance with the pattern of recognition of the service obligation.

#### **Services Revenue**

Services revenue consist primarily of fees from consulting services in process optimization and in methodology for design, deployment and support, and training services. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products.

Performance obligation from fixed price contracts are usually satisfied over the time. The revenue is recognized using percentage of completion based on the labor costs incurred to date as a percentage of the total estimated labor costs to fulfill the contract.

Service revenues derived from time and material contracts are recognized over the time on an output basis as labor hours are delivered or direct project expenses are incurred.

#### **Incremental Costs of Obtaining a Contract**

The Group generally does not capitalize the incremental costs incurred to obtain a contract (e.g. variable remuneration of the sales force), and expenses them as incurred, as contracts with customers generally have a contractual period of 12 months or less.

For other long term contracts with customers, the Group capitalizes the expenses associated with variable compensation paid to internal sales personnel that is incremental to obtaining and renewing these contracts.

#### **Contract Assets/Liabilities and Accounts Receivable**

The Group classifies the right to consideration in exchange for products or services transferred to a client as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional as compared to a contract asset, which is a right to consideration that is conditional upon factors other than the passage of time.

The majority of the Group's contract assets represents unbilled amounts related to fixed price services contracts when revenue recognized exceeds the amount billed to the client, and the right to consideration is subject to milestone completion or client acceptance.

The amount of billing in excess of revenue recognized is classified as contract liabilities.

#### **Share-based compensation**

The Group recognizes compensation expense for share-based compensation awards expected to vest on a straight-line basis over the requisite service period of the entire award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from initial estimate.

Stock options are measured at fair value on the date of the grant using an option-pricing model based on assumptions made by management on expected volatility, expected option life and distributed dividends.

Performance shares are measured at fair value based on the quoted price of the Group's common stock on the date of grant. The fair value also includes the impact of certain conditions based on an option-pricing model.

Vesting conditions excluded from the fair value measurement are taken into account to estimate the number of shares that will eventually vest. At the end of each reporting period, the Group reviews this estimate and records the impact of changes to original estimate, if any, in the statement of income.

For performance shares plan that allows the beneficiaries to acquire shares either upon satisfaction of a market condition or a non-market vesting condition, the Group estimates the fair value of the equity instrument at grant date for each possible outcome, and accounts for the share-based compensations based on the most likely outcome at the end of each reporting period.

Employee shareholding plans are evaluated on a fair value basis, taking into account the amount of the discount from which employees benefit, and where applicable, a non-transferability cost depending on the blocking period. The non-transferability cost is evaluated according to the approach recommended by the A.N.C. (*Autorité des Normes Comptables*), in which the market participant would enter into a forward sale effective at the end of the blocking period and would borrow the amount necessary to buy a right available for an immediate transfer by financing the borrowing through the forward sale of the right and the dividends paid during the blocking period.

#### **Cost of software revenue**

Cost of software revenue primarily includes software license expense for software products included in the Group's software, maintenance costs and delivery expense.

#### **Research and development**

Research costs are expensed as incurred.

Costs incurred to develop computer software products include mainly payroll and other headcount-related costs associated with development of the Group's products. They also include amortization expense, lease and maintenance costs of computer equipment used for product development, software expenditures and costs of information technology and communication.

Due to specificities in the software industry, the Group has determined that technological feasibility is the key criteria to capitalize development expenditure as it is generally the last criteria to be met. Currently the risks and uncertainties inherent in the software development process make it difficult to demonstrate technological feasibility before a working prototype has been completed, which generally occurs shortly before the commercial release of its software products. As a consequence, costs incurred after technological feasibility is established that could potentially be capitalized are not material.

### Government grants

The Group receives grants from certain governmental authorities to finance certain research and development activities, including research and development tax credits in France that are treated as government grants. Government grants are recognized as a reduction of research and development costs or cost of services and other revenue when the qualifying research and development activities have been performed and there is reasonable assurance that the grants will be received.

### Other operating income and expense, net

The Group distinguishes income and expense that are unusual, infrequent or generally non-recurring in nature in the consolidated statement of income. Such income and expense include the impact of restructuring activity and other generally non-recurring events, such as gain or loss on sale of subsidiaries, impairment of goodwill or acquired intangible assets, costs directly related to acquisitions, and costs related to relocation activities and reorganizations of the Group's premises.

### Other financial income and expense, net

Other financial income and expense primarily include the interest expenses related to financing operations and lease liabilities. Are also included the impact of remeasuring financial instruments at fair value, exchange gains and losses on monetary items and change in fair value of derivative financial instruments not qualified for hedge accounting.

### Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

### Allowance for doubtful accounts and loans receivable

The allowance for doubtful accounts and loans receivable reflects the Group's best estimate of probable losses inherent in the receivable balance. The Group applies the simplified approach as permitted by IFRS 9 to account for the expected losses on trade accounts receivables and establishes a statistical model based on historical experience and prospective information including financial difficulties and other currently available evidence.

### Financial instruments

**Fair Value** – The carrying amount of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued expenses approximate fair value, due to the short-term maturities of such instruments. Foreign exchange options and forward contracts, which are designated and serve as hedges, are recorded at their fair market value. Fair value is measured based on the following fair value hierarchy: level 1: quoted price in active markets; level 2: inputs observable directly or indirectly, other than quoted price included in level 1; level 3: inputs not based on observable market data. Cash, cash equivalents and short-term investments are measured using the level 1 fair value. Derivative instruments are measured using the level 2 fair value. Other investments that are not equity method investments are measured using the level 3 fair value.

**Cash and Cash Equivalents and Short-Term Investments** – The Group considers deposits with banks, investments in money market mutual funds and marketable debt securities with short-term maturities to be cash equivalents since they are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Other marketable debt securities and mutual funds that do not qualify as cash equivalents are considered to be short-term investments and are generally classified as trading securities with changes in fair value recorded in interest income and expense, net.

**Non-Current Financial Assets** – The Group elected the classification at fair value through Other comprehensive income for all its investments in non-consolidated equities. As such, net gains and losses related to equity securities are recognized in Other comprehensive income and are never reclassified to profit or loss.

**Derivative Instruments** – The Group uses derivative instruments in particular to manage exposures to foreign currency and interest rates. Derivative instruments are measured at their fair value and changes in the fair value affect the consolidated statements of income unless specific hedge accounting criteria are met. Changes in the fair value of derivatives designated as cash-flow hedges are reported as a component of shareholders' equity until the hedged item is recognized in earnings. Hedging a net investment allows the Group to hedge the exposure to adverse changes in the fair value of an investment made abroad in a currency other than the Group's operating currency (i.e. IFRS 9). For this type of hedge, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, and the ineffective portion is recognized in the consolidated income statement. These gains and losses offset the translation differences recorded at the consolidation of the foreign subsidiary.

### Property and equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives: computer equipment, two to five years; office furniture and equipment, five to ten years; buildings, thirty years; leasehold improvements are depreciated over the shorter of the life of the assets or the remaining lease term. Repair and maintenance costs are expensed as incurred.

Leases are recorded under property, plant and equipment as a right-of-use asset. The asset is recognized at the commencement date of the contract against a lease liability, adjusted for direct costs, prepaid rents, lease incentives received and estimated costs of dismantling and restoration. These assets are amortized on a straight-line basis over the lease term, which corresponds to the non-cancellable period, together with the reasonably certain extension and termination options, taking into account the penalties that would be incurred upon termination. Under this model, the depreciation expense of assets is accounted for in operating expense, and the cost of the debt towards the lessor is accounted for under financial expense.

### Intangible assets

Intangible assets primarily include acquired technology, contractual customer relationships and computer software. Costs related to intangible assets are capitalized and amortized using the straight-line method over their estimated useful lives, which range from two to nineteen years. No significant intangible assets have been identified with an indefinite useful life.

### Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair

value of the assets transferred, equity instruments issued and liabilities incurred or assumed on the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's net identifiable assets.

When a business combination with permanent non-controlling interest includes a put option related to these same non-controlling interests, a liability is recognized in the consolidated balance sheet along with a decrease in the consolidated reserves. Subsequent fluctuations of this put option related to potential changes in estimates or unwinding of discounts are also booked in consolidated reserves. Any further acquisition of minority interests is considered as a transaction between shareholders and is therefore not subject to re-evaluation.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units or group of cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and at a minimum annually. For the purpose of the impairment test, the Group relies upon projections of future cash flows and takes into account assumptions regarding the evolution of the market and its ability to successfully develop and commercialize its products. Changes in market conditions could have a major impact on the valuation of assets and liabilities and could result in additional impairment losses.

### Provisions

Provisions are recognized as liabilities to cover probable outflows of resources that can be estimated and that result from present obligations (legal, contractual or constructive) relating to past events. In cases where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or where the amount cannot be reliably estimated, a contingent liability is disclosed among the Group's commitments.

The amount of the provision provided is the best estimate of the outflow of resources required to extinguish this present obligation.

### Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Gains and losses on the purchase, sale, issue or cancellation of the Group's own equity instruments are credited or charged to shareholders' equity and are not recognized in the statement of income.



**Lease liabilities**

Lease liabilities are recognized at the commencement date of the contracts. The lease term is determined as the non-cancellable period, together with the reasonably certain extension and termination options, taking into account the penalties that would be incurred upon termination. The amount of lease liability represents the present value of lease payments over the lease term less any lease incentives receivable, adjusted by the expected penalties payable under a termination option which is reasonably certain to be exercised.

**Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Any difference between the recorded amount and the redemption value is amortized into income over the period of the borrowing using the effective interest rate method.

**Post-employment benefits**

The Group's payments for defined contribution plans are recorded as expenses for the relevant period.

For defined benefit plans concerning post-employment benefits, the Group uses the projected unit credit method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula. However, if an employee's service in later years will earn a materially higher level of benefit than in earlier years, benefits are attributed to periods of service on a straight-line basis. The measured period of service is the vesting period for obtaining the capped rights.

Actuarial gains and losses are charged or credited to equity in Other comprehensive income in the period in which they arise.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the Group, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated duration of the benefit plan concerned.

The net expense for the year, corresponding to the sum of the current service costs, past service costs and net interest expense or income, is charged in full to operating income.

**Note 3** Segment and Geographic 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 (see paragraph 3.1.4 "IFRS non-IFRS reconciliation" of the Universal registration document). The accounting policies used differ from those described in Note 2 Summary of Significant Accounting Policies as follows:

- the measure of operating segment revenue and income includes the whole 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 tangible assets revaluation,
  - share-based compensation expense and associated payroll taxes (see Note 6 Personnel Costs and Note 7 Share-based Compensation),
  - and other operating income and expense, net (see Note 8 Other Operating Income and Expense, Net);
- the measure of operating segment income takes into account the impact of the 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>	Year ended December 31,	
	2021	2020
<b>TOTAL REVENUE FOR OPERATING SEGMENT</b>	<b>€4,861.7</b>	<b>€4,464.8</b>
Adjustment for unearned revenue of acquired companies	(1.6)	(12.6)
<b>REPORTED TOTAL REVENUE</b>	<b>€4,860.1</b>	<b>€4,452.2</b>

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
<b>INCOME FOR OPERATING SEGMENT</b>	<b>€1,666.2</b>	<b>€1,349.8</b>
Adjustment for unearned revenue of acquired companies	(1.6)	(12.6)
Amortization of acquired intangible assets and of tangible assets revaluation	(369.0)	(394.5)
Share-based compensation expense and related payroll taxes	(242.1)	(214.1)
Other operating income and expense, net	(31.3)	(56.0)
Lease incentives of acquired companies	(2.8)	(2.9)
<b>REPORTED OPERATING INCOME</b>	<b>€1,019.4</b>	<b>€669.7</b>

The geographic breakdown of the Group's financial data is established based on the geographic location of the consolidated companies and is as follows:

<i>(in millions of euros)</i>	Total revenue	Total assets	Additions to property, equipment and intangibles
<b>2021</b>			
Europe	€1,301.0	€4,928.5	€51.8
<i>of which France</i>	689.2	2,413.9	42.3
<i>of which Germany</i>	228.7	547.6	3.0
Americas	2,602.1	8,531.5	50.0
<i>of which the United States</i>	2,564.0	8,361.5	48.7
Asia	957.0	758.7	43.0
<i>of which Japan</i>	434.4	116.9	3.4
<b>TOTAL</b>	<b>€4,860.1</b>	<b>€14,218.7</b>	<b>€144.8</b>
<b>2020</b>			
Europe	€1,223.9	€4,194.2	€53.2
<i>of which France</i>	631.3	2,147.2	43.1
<i>of which Germany</i>	218.0	580.0	3.5
Americas	2,335.3	8,106.7	80.8
<i>of which the United States</i>	2,292.7	7,947.0	79.1
Asia	893.0	663.3	44.3
<i>of which Japan</i>	443.0	118.4	1.5
<b>TOTAL</b>	<b>€4,452.2</b>	<b>€12,964.2</b>	<b>€178.3</b>

The Group also receives data that identifies the location of the Group's end-user customers. Using such information, revenue by geographic area would be as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Europe	€1,830.5	€1,675.2
<i>of which France</i>	421.8	381.3
<i>of which Germany</i>	433.5	431.3
Americas	1,866.3	1,688.6
<i>of which the United States</i>	1,745.5	1,575.7
Asia	1,163.3	1,088.4
<i>of which Japan</i>	488.7	481.6
<b>TOTAL REVENUE</b>	<b>€4,860.1</b>	<b>€4,452.2</b>

## Note 4 Software Revenue

Software revenue is comprised of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Licenses and other software revenue	€982.9	€807.5
Subscription and support revenue*	3,419.7	3,205.2
<b>SOFTWARE REVENUE</b>	<b>€4,402.6</b>	<b>€4,012.6</b>

\* In 2021, corresponds to €353.8 million at a point in time and €3,065.9 million over time, to be compared to €353.8 million and €2,851.3 million respectively in 2020.

Breakdown of software revenue by main product line is as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Industrial Innovation	€2,417.9	€2,287.6
Life Sciences	898.8	787.3
Mainstream Innovation	1,085.9	937.6
<b>SOFTWARE REVENUE</b>	<b>€4,402.6</b>	<b>€4,012.6</b>

## Note 5 Government Grants

Government grants were 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>	Year ended December 31,	
	2021	2020
Research and development	€36.4	€33.4
Other expenses	4.4	3.3
<b>TOTAL GOVERNMENT GRANTS</b>	<b>€40.8</b>	<b>€36.7</b>

## Note 6 Personnel Costs

Personnel costs, excluding share-based compensation (€171,6 million in 2021 and €178.3 million in 2020, see Note 7 Share-based Compensation) and associated payroll

taxes (€70,4 million in 2021 and €35.8 million in 2020), are presented in the following table:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Personnel costs	(1,872.9)	€(1,816.6)
Social security costs	(413.8)	(390.5)
<b>TOTAL</b>	<b>(2,286.6)</b>	<b>€(2,207.0)</b>

Average number of employees was 19,957 and 19,667 in 2021 and 2020 respectively.

## 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>	Year ended December 31,	
	2021	2020
Research and development	€(84.6)	€(75.7)
Marketing and sales	(70.3)	(62.3)
General and administrative	(69.6)	(63.1)
Cost of revenue	(17.6)	(13.1)
<b>TOTAL EXPENSE RELATED TO SHARE-BASED COMPENSATION</b>	<b>€(242.1)</b>	<b>€(214.1)</b>

Changes during 2021 and 2020 of unvested performance shares, MEDIDATA Program and stock options were as follows:

	Number of awards*			
	Performance shares	MEDIDATA Program	Stock options	Total
<b>UNVESTED AT JANUARY 1, 2020</b>	<b>15,972,475</b>	<b>9,337,315</b>	<b>16,496,385</b>	<b>41,806,175</b>
Granted	5,808,435	-	11,042,515	16,850,950
Vested	(5,145,250)	(3,377,630)	(7,938,405)	(16,461,285)
Forfeited	(65,100)	(640,010)	(1,136,505)	(1,841,615)
<b>UNVESTED AT DECEMBER 31, 2020</b>	<b>16,570,560</b>	<b>5,319,675</b>	<b>18,463,990</b>	<b>40,354,225</b>
Granted	6,101,682	-	2,257,255	8,358,937
Vested	(5,381,220)	(3,466,430)	(8,196,795)	(17,044,445)
Forfeited	(126,990)	(286,315)	(1,135,475)	(1,548,780)
<b>UNVESTED AT DECEMBER 31, 2021</b>	<b>17,164,032</b>	<b>1,566,930</b>	<b>11,388,975</b>	<b>30,119,937</b>

\* Restated to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 22 Shareholders' Equity).

## Performance shares

### New plans granted in 2021

#### Plans 2021-A and 2021-B

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2021, the Board of Directors decided, on June 29, 2021, to grant 741,569 performance shares (Plan 2021-A) (3,707,845 after the five-for-one share split on Dassault Systèmes' share) to some employees and executives of the Group, and 300,000 performance shares (Plan 2021-B) (1,500,000 after the five-for-one share split on Dassault Systèmes' share) 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 since several years.

The shares of these 2021-A and 2021-B plans shall be acquired subject to the end of a period of two years (tranche 1) and four years (tranche 2). 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 December 29, 2022 (tranche 1) and on June 29, 2024 (tranche 2).

The weighted average grant-date fair value of 2021-A and 2021-B performance shares was €136.14 (€27.23 after the five-for-one share split on Dassault Systèmes' share). 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 0.48%, 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 8.86%.

#### Plans 2021-M1 and 2021-M2

The Board of Directors decided on June 29, 2021 to grant 175,371 performance shares (Plan 2021-M1) (876,855 after the five-for-one share split on Dassault Systèmes' share) to some employees and executives of the Group. The weighted average grant-date fair value of 2021-M1 performance shares was €197.12 (€39.42 after the five-for-one share split on Dassault Systèmes' share). 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 0.48% and an expected volatility of 8.86%.

The Board of Directors also decided on September 22, 2021 to grant 16,982 performance shares (Plan 2021-M2) to some employees and executives of the Group. The weighted average grant-date fair value of 2021-M2 performance shares was €49.48 (after the five-for-one share split on Dassault Systèmes' share). 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 0.48% and an expected volatility of 8.86%.

The shares of these 2021-M1 and 2021-M2 plans shall be acquired at the end of a period of one year (tranche 1), two years (tranche 2), three years (tranche 3) and four years (tranche 4), from the grant date. They shall vest 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.

A summary of the Group's performance shares plans is as follows:

Plans	2017-A	2017-B	2018-A	2018-B	2019-A	2019-B	2019-A2
Date of General Meeting of Shareholders	09/04/2015	09/04/2015	09/04/2015	09/04/2015	09/04/2015	09/04/2015	05/22/2018
Date of grant by Board of Directors	05/23/2017	05/23/2017	05/22/2018	05/22/2018	09/25/2018	09/25/2018	07/01/2019
Total number of shares granted	801,700	300,000	815,730	300,000	496,700	300,000	307,615
Restated total number of shares granted <sup>(1)</sup>	4,008,500	1,500,000	4,078,650	1,500,000	2,483,500	1,500,000	1,538,075
Acquisition period (in years) <sup>(2)</sup>	Three	Three	Three	Three	Three years and eight months	Three years and eight months	Two years and eleven months
Performance conditions	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>
Performance conditions is reached at December 31, 2021	Yes	Yes	Yes	Yes	See Note <sup>(4)</sup>	See Note <sup>(4)</sup>	See Note <sup>(4)</sup>

Plans	2020-A	2020-B	2020-M	2021-A	2021-B	2021-M1	2021-M2
Date of General Meeting of Shareholders	05/22/2018	05/22/2018	05/22/2018	05/26/2021	05/26/2021	N/A	N/A
Date of grant by Board of Directors	05/26/2020	05/26/2020	05/26/2020	06/29/2021	06/29/2021	06/29/2021	09/22/2021
Total number of shares granted	804,966	300,000	56,721	741,569	300,000	175,371	16,982
Restated total number of shares granted <sup>(1)</sup>	4,024,830	1,500,000	283,605	3,707,845	1,500,000	876,855	16,982
Acquisition period (in years) <sup>(2)</sup>	Four	Four	Three	Two or four <sup>(5)</sup>	Two or four <sup>(5)</sup>	four <sup>(5)</sup>	four <sup>(5)</sup>
Performance conditions	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(7)</sup>	See Note <sup>(6)</sup>	See Note <sup>(6)</sup>	See Note <sup>(7)</sup>	See Note <sup>(7)</sup>
Performance conditions is reached at December 31, 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Restated to reflect the five-for-one share split effected on July 7, 2021 (see Note 22 Shareholders' Equity).
- (2) For 2020-M, 2021-M1 and 2021-M2 plans, subject to the condition that the beneficiary be an employee or a Director of the Group at the acquisition date. The presence period was two years for 2017-A, 2017-B, 2018-A and 2018-B plans. The presence period is two years and eight months for 2019-A and 2019-B plans, around one year and eleven months for 2019-A2 plan, three years for the 2020-A and 2020-B plans, and one year and a half and three years for the 2021-A and 2021-B plans (respectively for tranches 1 and 2).
- (3) For the 2017, 2018, 2019, 2020, and 2021 plans (2020-M, 2021-M1 and 2021-M2 excluded): performance condition based on a targeted growth between the non-IFRS diluted earnings per share of the Group excluding foreign currency effects for the respective years 2019, 2020, 2021 and 2023, and the one achieved in the respective years 2016, 2017, 2018 and 2019 (non-vesting condition). Such growth must be at least equal to a threshold (expressed as a percentage) established by the Board of Directors granting the shares.
- (4) Performance condition will be measured by the March 15, 2022 Board of Directors.
- (5) Share acquisition divided into two tranches for 2021-A and 2021-B plans, the first having vested on June 29, 2023 and the second having vested on June 30, 2025. Share acquisition divided into four tranches for 2021-M1 (tranches respectively vested on June 29, 2022, June 29, 2023, July 1st 2024 and June 30, 2025) and 2021-M2 (tranches respectively vested on September 22, 2022, September 22, 2023, September 23, 2024 and September 22, 2025).
- (6) For the 2021-A and 2021-B, 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 2022 (tranche 1) and the year 2024 (tranche 2), neutralized from currency effects, compared to that of the year 2020 (non-vesting condition).
- (7) For the 2020-M, 2021-M1 and 2021-M2 plans, performance condition based on the growth of the non-IFRS revenue and of the non-IFRS operating margin of the MEDIDATA activity. For the 2020-M plan, this double condition, is based on targeted growths between the year 2022, excluding foreign currency effects, and the levels of satisfaction of the year 2019 (vesting condition). For the 2021-M1 and 2021-M2 plans, this double condition, is based on targeted growths between the year 2021, 2022, 2023 and 2024 (respectively for each tranche), excluding foreign currency effects, and the levels of satisfaction of the year 2020 (vesting condition).

## Grant of rights to receive Dassault Systèmes SE shares in replacement of rights to receive Medidata shares ("MEDIDATA Program")

As part of the acquisition of Medidata and subject to its closing, the Board of Directors approved on June 11, 2019 the grant of rights to receive Dassault Systèmes SE shares in replacement of the rights to receive Medidata shares that had been granted to some of its employees and executives.

### 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 eight to ten years from grant date, or after termination of employment or term of office, whichever is earlier (except for 2020-01 and 2021-01 plans), 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 plans granted in 2021

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2020, the Board of Directors decided on June 29, 2021 to grant 451,451 options to subscribe to Dassault Systèmes SE shares (2,257,255 after the five-for-one share split on Dassault Systèmes' share) to certain employees and executives of the Group, at an exercise price of €206.60 (€41.32 after the five-for-one share split on Dassault Systèmes' share) (Plan 2021-01), equal to the closing value of the Dassault Systèmes SE share the day before the grant.

Such options are divided in four tranches. They shall vest if the beneficiary is an employee or an executive of the Group at the end of a service period of, respectively, one year (tranche 1), one year and a half (tranche 2), two years and a half (tranche 3), and three years and a half (tranche 4), and subject to the achievement of certain performance conditions. The performance condition, for most of the beneficiaries, will be measured based on the growth of non-IFRS diluted EPS for the years 2021 (tranche 1), 2022 (tranche 2), 2023 (tranche 3) and 2024 (tranche 4), neutralized from currency effects, compared to that of the year 2020 (non-market vesting condition for the tranche 1 and non-vesting condition for the tranches 2, 3 and 4).

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

The weighted average grant-date fair value of options granted in 2021 was €23.92 (€4.78 after the five-for-one share split on Dassault Systèmes' share). 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 6 years, expected volatility rate of 22.22%, expected dividend

yield of 0.48% and average risk-free interest rate of (0.28)%, adjusted to include the non-vesting condition (for tranches 2, 3 and 4) 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.

### Other information related to the Group stock options

A summary of the Group's stock option activity is as follows:

	2021*		2020*	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>OUTSTANDING AS OF JANUARY 1,</b>	<b>32,956,640</b>	<b>€23.82</b>	<b>28,535,665</b>	<b>€20.46</b>
Granted	2,257,255	41.32	11,042,515	29.12
Exercised	(7,035,468)	21.99	(5,491,180)	16.61
Forfeited	(1,155,805)	29.14	(1,130,360)	25.59
<b>OUTSTANDING AS OF DECEMBER 31,</b>	<b>27,022,622</b>	<b>€25.54</b>	<b>32,956,640</b>	<b>€23.82</b>
Exercisable	15,633,647	€21.36	14,492,650	€18.82

\* Restated to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 22 Shareholders' Equity).

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2021 is presented below:

Stock option plan	Number of options*	Remaining life (years)	Exercise price*
2014-01	60,500	0.40	€9.10
2015-01	1,217,432	3.68	€12.40
2016-01	1,770,508	4.40	€13.80
2017-01	2,918,594	5.39	€16.40
2018-01	4,498,277	6.39	€22.00
2019-01	5,407,938	7.50	€28.00
2020-01	6,466,013	8.40	€29.09
2020-M-01	38,885	8.19	€26.20
2020-M-02	2,244,715	8.40	€29.09
2020-M-03	144,550	8.73	€31.57
2020-M-04	42,545	8.93	€30.43
2021-01	2,212,665	9.50	€41.32
<b>OUTSTANDING AS OF DECEMBER 31,</b>	<b>27,022,622</b>	<b>7.16</b>	<b>€25.54</b>

\* Restated to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 22 Shareholders' Equity).

### Employee shareholding

The Group launched in 2021 an employee shareholding plan: "TOGETHER".

This plan allows employees, in most countries, to subscribe to a leveraged shareholding plan (equity settled transactions) with a discounted preferential rate of 15% compared to the arithmetic average of the price of the Dassault Systèmes share weighted by the volumes traded on the Euronext market during the 20 sessions preceding the date on which the subscription price is fixed. The subscription price has thus been fixed at

€46.14 on December 3, 2021 (after the five-for-one share split on Dassault Systèmes' share).

In countries where a leveraged vehicle is not possible, a share appreciation right mechanism is proposed (cash-settled transactions) associated with a subscription of shares without leverage (equity-settled transactions).

Once subscriptions are made, no period of service is required. The shares must be kept for a period of five years (three years in the United States), except for cases of early release covered by plan rule.

2,366,420 equity-settled instruments have been granted. Their unitary weighted average fair value was estimated at €2.50 (after the five-for-one share split on Dassault Systèmes' share), the valuation of the non-transferability cost taking into account a 1% loan-financing rate.

323,105 cash-settled instruments have been granted. Their unitary weighted average fair value was estimated at €39.24 (after the five-for-one share split on Dassault Systèmes'

share). The Group has hedged itself against changes in the fair value of the share appreciation rights.

The plan was finalized on January 20, 2022, with the related capital increase of Dassault Systèmes SE (see Note 28 Events after the reporting period). In order to neutralize the dilutive effect of this plan the Group repurchased late 2021 some treasury shares; almost all of them will be cancelled (see Note 18 Other Liabilities and Note 22 Shareholders' Equity).

## 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>	Year ended December 31,	
	2021	2020
Costs incurred in connection with relocation activities and reorganizations of the Group's premises <sup>(1)</sup>	€(13.7)	€(9.6)
Costs incurred in connection with voluntary early retirement and end of career multi-year plan <sup>(2)</sup>	(6.9)	(33.5)
Acquisition costs <sup>(3)</sup>	(5.1)	(0.9)
Restructuring costs and other <sup>(4)</sup>	(3.7)	(4.6)
Impairment of acquired intangible assets	(2.0)	(7.3)
<b>OTHER OPERATING INCOME AND EXPENSE, NET</b>	<b>€(31.3)</b>	<b>€(56.0)</b>

(1) In 2021 and 2020, primarily composed of impairment losses of right-of-use assets related to vacant leased properties following the reorganization of Medidata Solutions, Inc. premises.

(2) Since February 2020 the Group implemented in France a job and career paths 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 especially 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 related to the direct costs incurred in connection with the NuoDB, Inc. acquisition.

(4) In 2021 and 2020, primarily related to redundancies costs regarding restructuring plans at Medidata Solutions, Inc.

## Note 9 Financial Loss, Net

Financial loss, net for the years ended December 31, 2021 and 2020 are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Interest income <sup>(1)</sup>	€11.4	€14.3
Interest expense <sup>(2)</sup>	(28.2)	(37.2)
<b>INTEREST INCOME AND EXPENSE, NET</b>	<b>€(16.8)</b>	<b>€(22.9)</b>
Foreign exchange gains (losses), net	1.1	(0.8)
Other, net	0.5	0.4
<b>OTHER FINANCIAL INCOME AND EXPENSE, NET</b>	<b>€1.7</b>	<b>€(0.4)</b>
<b>FINANCIAL LOSS, NET</b>	<b>€(15.1)</b>	<b>€(23.4)</b>

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

(2) Mainly includes:

- (i) interest expenses of €8.3 million in 2021 related to the bonds (€8.3 million in 2020) and €4.7 million in 2021 related to the borrowings from banking institutions (€11.8 million in 2020) (see Note 19 Borrowings);
- (ii) interest expenses related to lease liabilities for €14.0 million in 2021 and €16.1 million in 2020.



## Note 10 Income Taxes

Deferred tax assets and liabilities are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Provisions and other expenses	€220.7	€167.8
Profit-sharing and pension accruals	53.6	48.5
Net tax loss and tax credit carryforward assets	94.6	90.8
Amortization and basis difference	111.3	75.6
Amortization of acquired intangibles	(805.9)	(826.7)
Other	(47.1)	(28.2)
<b>NET DEFERRED TAX LIABILITY</b>	<b>€(372.8)</b>	<b>€(472.2)</b>
Deferred tax assets	198.3	153.1
Deferred tax liabilities	(571.1)	(625.3)
<b>NET DEFERRED TAX LIABILITY</b>	<b>€(372.8)</b>	<b>€(472.2)</b>

Change in deferred taxes can be summarized as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
<b>NET DEFERRED TAX LIABILITY AS OF JANUARY 1,</b>	<b>€(472.2)</b>	<b>€(692.7)</b>
Changes included in the income statement	96.8	95.7
Business combinations*	(4.2)	67.0
Other changes included in shareholders' equity	44.0	8.4
Currency translation adjustments	(37.2)	49.4
<b>NET DEFERRED TAX LIABILITY AS OF DECEMBER 31,</b>	<b>€(372.8)</b>	<b>€(472.2)</b>

\* In 2020 includes the impact of the change in deferred tax rate that are expected to apply in the period in which the asset is realised or the liability is settled, mainly related to United States based acquired assets.

The components of income before income taxes are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
France	€499.4	€382.4
United States	€411.5	€211.3
Others	93.4	52.7
<b>INCOME BEFORE INCOME TAXES</b>	<b>€1,004.3</b>	<b>€646.3</b>

The components of income tax expense are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
France	€(134.3)	€(134.9)
United States	(147.4)	(72.6)
Others	(45.5)	(49.1)
<b>CURRENT TAXES</b>	<b>(327.2)</b>	<b>(256.6)</b>
France	(12.0)	17.0
United States	92.7	54.2
Others	16.1	24.5
<b>CHANGE IN DEFERRED TAXES</b>	<b>96.8</b>	<b>95.7</b>
<b>INCOME TAX EXPENSE</b>	<b>€(230.4)</b>	<b>€(160.8)</b>

Differences between the income tax provision and the provision computed using the statutory French income tax rate are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Taxes computed at the statutory rate of 28.41% in 2021 (32.02% in 2020)	€(285.3)	€(207.0)
Foreign tax rate differentials <sup>(1)</sup>	31.0	41.8
R&D tax credit and other tax credits <sup>(2)</sup>	22.8	21.5
Income taxable at reduced rate <sup>(3)</sup>	50.6	46.6
Other tax effects, net <sup>(4)</sup>	(49.6)	(63.8)
<b>INCOME TAX EXPENSE</b>	<b>€(230.4)</b>	<b>€(160.8)</b>
<b>EFFECTIVE TAX RATE</b>	<b>22.9%</b>	<b>24.9%</b>

(1) In 2021 and 2020, mainly includes tax rate differential with the United States tax rate of 21%.

(2) R&D tax credit and other tax credits derived mainly from research tax credits in France and in the United States.

(3) In 2021 and 2020, includes the favorable effect of current French (Art. 238) and United States (FDII) legislative provisions leading to decreased taxation of income from ownership of intangibles.

(4) In 2021, mainly includes tax impact in connection with provisions for tax risks. In 2020, mainly includes tax impact in connection with provisions for tax risks and French Cotisation sur la valeur ajoutée des entreprises ("CVAE").

At December 31, 2021, there were unrecognized tax losses and tax credit carried forward of €160.4 million, which are scheduled to expire at a date later than 2027.

## Note 11 Earnings per Share

Basic net income per share is determined by dividing net income attributable to equity holders of the Group by the weighted average number of common shares outstanding during the period. Diluted net income per share is determined by dividing net income attributable to equity holders of the

Group by the combination of the weighted average number of common shares outstanding during the period and the dilutive effect of mainly stock options and performance shares.

The following table presents the calculation for both basic and diluted net income per share:

<i>(in millions of euros, except shares and per share data)</i>	Year ended December 31,	
	2021	2020*
Net income attributable to equity holders of the Group	€773.7	€491.0
Weighted average number of shares outstanding	1,309,780,561	1,302,226,276
Dilutive effect of share-based compensations	22,312,080	18,640,748
Diluted weighted average number of shares outstanding	1,332,092,642	1,320,867,024
<b>Basic earnings per share</b> <i>(in euros)</i>	<b>€0.59</b>	<b>€0.38</b>
<b>Diluted earnings per share</b> <i>(in euros)</i>	<b>€0.58</b>	<b>€0.37</b>

\* 2020 figures have been restated in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

## Note 12 Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents are comprised of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Bank accounts	€589.0	€305.7
Cash equivalents	2,390.5	1,843.1
<b>CASH AND CASH EQUIVALENTS</b>	<b>€2,979.5</b>	<b>€2,148.9</b>

At December 31, 2021 and 2020, approximately 50% and 46% of cash and cash equivalents were denominated in U.S. dollars respectively.

The investment rules are determined and controlled centrally by the Group's management. Cash, cash equivalents and short-term investments are on deposit with high credit-quality financial institutions, principally in Europe. The Group follows a conservative policy in investing its cash resources, mostly relying on short-term maturity investments.

The Group has adopted policies regarding financial ratings and spread of maturity dates in order to ensure the security

and liquidity of its financial instruments. The Group's management oversees closely the quality of its investments and the credit-worthiness of its counterparts and believes that it has a minimal exposure to the risk of bankruptcy of anyone of them. The Group also closely oversees the liquidity of its financial assets held with these same counterparts. In this regard, the Group follows in particular the financial rating of each of its counterparties and, up to the present time, all of its counterparties are rated within the *Investment Grade* category by the rating agencies. As a result, the Group believes that it has a very low exposure to credit or counterparty risk.

## Note 13 Trade Accounts Receivable, Net, Contract Balances and Other Current Assets

Trade accounts receivable and other current assets are measured at amortized cost.

### Trade accounts receivable

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Trade accounts receivable	€1,414.2	€1,277.5
Allowance for trade accounts receivable	(47.9)	(48.4)
<b>TOTAL TRADE ACCOUNTS RECEIVABLE, NET</b>	<b>€1,366.3</b>	<b>€1,229.1</b>

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

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Trade accounts receivable past due at closing date:		
Less than 3 months past due	€115.6	€124.8
3 to 6 months past due	25.4	22.9
More than 6 months past due	29.2	45.9
<b>TRADE ACCOUNTS RECEIVABLE PAST DUE</b>	<b>170.2</b>	<b>193.6</b>
Trade accounts receivable not yet due	1,196.1	1,035.5
<b>TOTAL TRADE ACCOUNTS RECEIVABLE, NET</b>	<b>€1,366.3</b>	<b>€1,229.1</b>

The Group is not dependent on any of its principal clients. No single customer or sales channel partner represented more than 5% of the Group's total revenue in 2021 and 2020.

In the context of the health crisis linked to the COVID-19 and its impact on the economic environment, the Group had updated in 2020 its assessment of customer risk in the context of the signing of new contracts and assessment for allowance of

customer accounts. In particular, the Group had strengthened its comprehensive credit rating and monitoring system of its customers and distributors.

## Contract balances

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Contract assets	€12.7	€27.0
Contract liabilities	€(1,304.4)	€(1,169.1)

The amount of the revenue recognized during 2021 which had been deferred in the contract liabilities as at January 1st, 2021 is €976.9 million. The amount of the revenue recognized during 2020 which had been deferred in the contract liabilities as at January 1st, 2020 is €883.2 million.

All contract assets recorded in the balance as of December 31, 2020 have been reclassified to receivables during 2021 since the right to consideration became unconditional.

## Remaining unsatisfied performance obligations

The amount of the remaining unsatisfied performance obligations, as defined by IFRS 15, is the portion of the transaction price from contracts with customers allocated to performance obligations unsatisfied or partially satisfied as of the closing date.

When applying the practical expedients permitted by IFRS 15 (right to exclude contracts with duration less than one year and time and materials contracts), the amount of the remaining unsatisfied performance obligations is €1,847.8 million as of December 31, 2021. Due to the profile of contract terms, approximately 50% of this amount is expected to be recognized as revenue over the next year, approximately 50% thereafter. As of December 31, 2020, the amount of the remaining unsatisfied performance obligations was €1,664.4 million, of which approximately 49% was expected to be recognized as revenue over the following year and approximately 51% thereafter.

## Other current assets

Other current assets are composed of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Prepaid expenses	€137.3	€104.1
Deferred sales compensation, current <sup>(1)</sup>	35.1	25.5
Value added tax	31.6	37.3
Derivatives, current <sup>(2)</sup>	7.0	6.5
Other	28.9	29.3
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>€239.9</b>	<b>€202.7</b>

(1) See Note 2 Summary of Significant Accounting Policies.

(2) See Note 20 Derivatives and Currency and Interest Rate Risk Management.

## Note 14 Property and Equipment, Net

Property and equipment consist of the following:

<i>(in millions of euros)</i>	Year ended December 31, 2021			Year ended December 31, 2020		
	Accumulated depreciation		Net	Accumulated depreciation		Net
	Gross	and Impairment		Gross	and Impairment	
Right-of-use assets	€783.7	€(270.2)	€513.5	€734.5	€(170.8)	€563.7
Computer equipment	408.9	(288.0)	120.8	345.1	(228.9)	116.2
Office furniture and equipment	81.3	(52.6)	28.7	75.3	(47.5)	27.8
Leasehold improvements	197.2	(99.9)	97.3	194.8	(90.0)	104.9
Buildings	62.7	(6.1)	56.7	52.4	(3.8)	48.6
<b>TOTAL</b>	<b>€1,533.8</b>	<b>€(716.8)</b>	<b>€817.0</b>	<b>€1,402.1</b>	<b>€(541.0)</b>	<b>€861.1</b>

The change in the carrying amount of property and equipment as of December 31, 2021 is as follows:

<i>(in millions of euros)</i>	Right-of-use assets <sup>(1)</sup>	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
<b>NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2020</b>	<b>€563.7</b>	<b>€116.2</b>	<b>€27.8</b>	<b>€104.9</b>	<b>€48.6</b>	<b>€861.1</b>
Additions	41.2	56.8	10.1	9.9	7.6	125.7
Business combinations	-	-	0.1	-	-	0.1
Other changes	(2.8)	-	(0.1)	(2.3)	(1.5)	(6.7)
Depreciation and impairment for the period <sup>(2)</sup>	(104.3)	(56.0)	(10.8)	(20.9)	(1.5)	(193.5)
Exchange differences	15.7	3.9	1.5	5.6	3.5	30.2
<b>NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2021</b>	<b>€513.5</b>	<b>€120.8</b>	<b>€28.7</b>	<b>€97.3</b>	<b>€56.7</b>	<b>€817.0</b>

(1) In 2021, the depreciation charge of right-of-use assets is €83.7 and €4.3 million for offices and vehicles respectively; as of December 31, 2021, the net book value of right-of-use assets is €498.2 and €6.5 million for offices and vehicles respectively.

(2) Including €(14.1) million of right-of-use assets impairments related to vacant leasehold properties.

The change in the carrying amount of property and equipment as of December 31, 2020 is as follows:

<i>(in millions of euros)</i>	Right-of-use assets <sup>(1)</sup>	Computer equipment	Office furniture and equipment	Leasehold improvements	Buildings	Total
<b>NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2019</b>	<b>€615.1</b>	<b>€128.6</b>	<b>€33.8</b>	<b>€108.7</b>	<b>€13.5</b>	<b>€899.7</b>
Additions	53.0	50.3	6.7	22.9	27.8	160.8
Business combinations	0.8	0.1	-	0.1	-	1.0
Other changes <sup>(2)</sup>	17.1	(1.5)	(0.8)	(0.3)	11.8	26.3
Depreciation and impairment for the period <sup>(3)</sup>	(102.7)	(56.2)	(10.1)	(19.3)	(1.2)	(189.6)
Exchange differences	(19.6)	(5.1)	(2.0)	(7.1)	(3.4)	(37.2)
<b>NET PROPERTY AND EQUIPMENT AS OF DECEMBER 31, 2020</b>	<b>€563.7</b>	<b>€116.2</b>	<b>€27.8</b>	<b>€104.9</b>	<b>€48.6</b>	<b>€861.1</b>

(1) In 2020, the depreciation charge of right-of-use assets is €85.0 and €4.9 million for offices and vehicles respectively; as of December 31, 2020, the net book value of right-of-use assets is €544.7 and €8.4 million for offices and vehicles respectively.

(2) Including a reclassification of €11.8 million from Other Non-Current Assets related to the prepayment made in 2019 on buildings acquisition.

(3) Including €(10.5) million of right-of-use assets impairments related to vacant leasehold properties.

## Note 15 Other Non-Current Assets

Other non-current assets consist of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Tax receivable <sup>(1)</sup>	€144.9	€144.9
Investments in non-consolidated subsidiaries	61.2	28.7
Deferred sales compensation, non-current <sup>(2)</sup>	51.5	43.4
Other	51.8	35.4
<b>OTHER NON-CURRENT ASSETS</b>	<b>€309.4</b>	<b>€252.4</b>

(1) In 2021 and 2020, tax payments following tax reassessments which are disputed by the Group with the relevant authorities (see Note 24 Commitments and Contingencies).

(2) See Note 2 Summary of Significant Accounting Policies.

## Note 16 Intangible Assets, Net

Intangible assets consist of the following:

<i>(in millions of euros)</i>	Year ended December 31, 2021			Year ended December 31, 2020		
	Accumulated amortization		Net	Accumulated amortization		Net
	Gross	and Impairment		Gross	and Impairment	
Software	3,435.7	(1,442.9)	1,992.8	€3,209.5	€(1,131.2)	€2,078.2
Customer relationships	2,370.0	(1,037.9)	1,332.1	2,218.9	(881.8)	1,337.1
Other intangible assets	179.0	(41.3)	137.7	169.7	(38.3)	131.4
<b>TOTAL</b>	<b>5,984.7</b>	<b>(2,522.1)</b>	<b>3,462.5</b>	<b>€5,598.1</b>	<b>€(2,051.4)</b>	<b>€3,546.8</b>

The change in the carrying amount of intangible assets as of December 31, 2021 is as follows:

<i>(in millions of euros)</i>	Software	Customer relationships	Other intangible assets	Total intangible assets
	<b>NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2020</b>	<b>€2,078.2</b>	<b>€1,337.1</b>	<b>€131.4</b>
Business combinations	17.1	-	-	17.1
Other additions	12.7	-	6.5	19.2
Amortization and impairment for the period*	(264.2)	(108.2)	(10.7)	(383.1)
Exchange differences and other changes	148.9	103.2	10.4	262.5
<b>NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2021</b>	<b>1,992.8</b>	<b>1,332.1</b>	<b>137.7</b>	<b>3,462.5</b>

\* Including €(2.0) million of software impairment.

The change in the carrying amount of intangible assets as of December 31, 2020 is as follows:

<i>(in millions of euros)</i>	<b>Software</b>	<b>Customer relationships</b>	<b>Other intangible assets</b>	<b>Total intangible assets</b>
<b>NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2019</b>	<b>€2,441.1</b>	<b>€1,580.0</b>	<b>€165.0</b>	<b>€4,186.1</b>
Business combinations	66.7	0.2	-	66.9
Other additions	16.0	0.8	0.7	17.5
Amortization and impairment for the period*	(272.8)	(124.0)	(18.0)	(414.9)
Exchange differences and other changes	(172.8)	(119.9)	(16.1)	(308.8)
<b>NET INTANGIBLE ASSETS AS OF DECEMBER 31, 2020</b>	<b>€2,078.2</b>	<b>€1,337.1</b>	<b>€131.4</b>	<b>€3,546.8</b>

\* Including €(7.3) million of other intangible assets impairment.

## Note 17 Goodwill

The change in the carrying amount of goodwill as of December 31, 2021 and 2020 is as follows:

<i>(in millions of euros)</i>	<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>GOODWILL AS OF JANUARY 1,</b>	<b>€4,390.5</b>	<b>€4,730.9</b>
Business combinations*	14.9	(7.6)
Exchange differences	307.1	(332.9)
<b>GOODWILL AS OF DECEMBER 31,</b>	<b>€4,712.4</b>	<b>€4,390.5</b>

\* In 2021, mainly corresponds to the acquisition of Armonica Retail S.r.l. and INTEROPSYS SAS. In 2020, was mainly related to the adjustment made on the Medidata goodwill during the measurement-period, and to the acquisition of Nuodb, Inc. and PROXEM SAS.

The Group performed annual impairment tests in the third quarter of 2021 and in the fourth quarter of 2020.

For the purpose of the impairment test, the Group identified 12 cash-generating units ("CGUs") or groups of CGUs as of December 31, 2021, generally corresponding to the Group's main software product brands. Each CGU represents the

lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill tested for impairment purposes was allocated to each CGU, or groups of CGUs that were expected to benefit from the synergies of the combination.

Goodwill allocated to each CGU or groups of CGUs is as follows:

<i>(in millions of euros)</i>	<b>December 31, 2020</b>	<b>Business combinations</b>	<b>Exchange differences</b>	<b>December 31, 2021</b>
MEDIDATA	€2,098.6	€-	€175.1	€2,273.8
SIMULIA	553.4	-	31.9	585.3
CATIA	395.2	(0.5)	8.4	403.0
BIOVIA	371.9	-	30.6	402.5
DELMIA <sup>(1)</sup>	256.2	-	9.0	265.2
SOLIDWORKS	228.6	-	19.1	247.7
ENOVIA <sup>(2)</sup>	222.8	5.2	12.9	241.0
CENTRIC PLM	112.9	10.1	10.3	133.4
GEOVIA	111.8	-	9.4	121.2
Other	39.0	-	0.4	39.5
<b>TOTAL</b>	<b>€4,390.5</b>	<b>€14.9</b>	<b>€307.1</b>	<b>€4,712.4</b>

(1) Including QUINTIQ.

(2) Including NETVIBES and EXALEAD.

The recoverable amount of each CGU or groups of CGUs has been determined based on a value in use calculation. This calculation uses cash flow projections based on financial

budgets covering a five- to ten-year period. The ten-year period projections are used for activities that have longer development cycles, representing approximately 63% of

the Group's total goodwill as of December 31, 2021. Key assumptions used to determine the value in use of assets are derived from management objectives for revenue growth and operating margin of each CGU. The pre-tax discount rates are between 8.1% and 8.9%. Cash flows beyond that five or ten-year period have been extrapolated using a steady growth rate comprised between 2% and 3%, reflecting long-term growth rates in the software industry.

At December 31, 2021, based on management estimates, the Group concluded that the recoverable amount of each CGU

or groups of CGUs exceeded its carrying value. Management believes that any reasonable possible change in key assumptions described above on which recoverable amount is based would not cause each CGU or groups of CGUs' carrying amount to exceed its recoverable amount. In particular, an increase of 150 basis points in the pre-tax discount rate or a decrease of 100 basis points in the long-term growth rates would not cause each CGU or groups of CGUs' carrying amount to exceed its recoverable amount.

## Note 18 Other Liabilities

Other liabilities are comprised of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Debt on treasury share repurchases <sup>(1)</sup>	€238.6	€0.0
Value added tax and other taxes	98.7	97.5
Lease liabilities, current	83.5	78.8
Provisions, current <sup>(2)</sup>	8.7	12.1
Post-employment benefits <sup>(3)</sup>	4.1	8.0
Other <sup>(4)</sup>	31.4	20.3
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>€464.9</b>	<b>€216.7</b>
Lease liabilities, non-current	€517.6	€564.5
Uncertainty over Income tax treatments	191.0	151.5
Post-employment benefits <sup>(3)</sup>	173.3	197.5
Provisions, non-current <sup>(2)</sup>	30.1	22.9
Other <sup>(4)</sup>	87.8	35.2
<b>TOTAL OTHER NON-CURRENT LIABILITIES</b>	<b>€999.9</b>	<b>€971.5</b>

(1) Related to the employee shareholding plan "TOGETHER" (see Note 7 Share-based Compensation and Note 22 Shareholders' Equity).

(2) See reconciliation of provisions below.

(3) See Note 21 Post-employment Benefits.

(4) In 2020 and 2021, includes the put option debt on Centric Software Inc.'s minority interests.

The maturity analysis of undiscounted lease liabilities payments as of December 31, 2021 is as follows:

<i>(in millions of euros)</i>	Payments due by period				
	Total	Less than 1 year	1 – 3 years	3 – 5 years	More than 5 years
Lease liabilities – undiscounted cash flows	655.6	106.3	171.4	127.8	250.1



The change in the carrying value of provisions as of December 31, 2021 is as follows:

<i>(in millions of euros)</i>	<b>Claims, litigation and other</b>	<b>Restructuring</b>	<b>Total provisions</b>
<b>PROVISIONS AS OF DECEMBER 31, 2020</b>	<b>€32.8</b>	<b>€2.1</b>	<b>€35.0</b>
Additions	17.7	1.7	19.4
Utilization	(8.6)	(3.4)	(11.9)
Reversal of unused amounts	(5.2)	(0.4)	(5.6)
Exchange differences and other	0.9	1.0	1.9
<b>PROVISIONS AS OF DECEMBER 31, 2021</b>	<b>€37.8</b>	<b>€1.0</b>	<b>€38.8</b>

The Group has chosen to apply two exemptions provided by IFRS 16 and to recognize as operating rent expense for leases with a lease term no more than 12 months and for leases with

underlying asset of low value. The related rents recognized in the consolidated income statement is summarized below:

<i>(in millions of euros)</i>	<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Expenses relating to short-term leases	(3.4)	(5.4)
Expenses relating to leases of low-value assets	(0.5)	(0.6)
<b>TOTAL</b>	<b>(3.9)</b>	<b>(6.0)</b>

## Note 19 Borrowings

Borrowings are comprised of the following:

<i>(in millions of euros)</i>	<b>Year ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
Bond, current <sup>(1)</sup>	€900.0	€-
Term loans, current	€1.3	13.7
Accrued interests	1.9	2.3
<b>TOTAL BORROWINGS, CURRENT</b>	<b>€903.3</b>	<b>€16.0</b>
Bonds, non-current <sup>(1)</sup>	2,734.5	3,631.6
Term loans, non-current <sup>(2)</sup>	231.9	542.7
<b>TOTAL BORROWINGS, NON-CURRENT</b>	<b>€2,966.4</b>	<b>€4,174.3</b>

(1) As of December 31, 2021, the fair value is €3,651.7 million (level 1 of fair value hierarchy).

(2) As of December 31, 2021, the fair value is €235.9 million (level 2 of fair value hierarchy).

The change in borrowings as of December 31, 2021 is as follows:

<i>(in millions of euros)</i>	<b>Bonds</b>	<b>Term loans</b>	<b>Accrued interests</b>	<b>Total</b>
<b>BORROWINGS AS OF DECEMBER 31, 2020</b>	<b>€3,631.6</b>	<b>€556.4</b>	<b>€2.3</b>	<b>€4,190.4</b>
Issuance	-	1.3	-	1.3
Business combination	-	0.1	-	0.1
Reimbursement	-	(341.2)	-	(341.2)
Exchange differences	-	0.6	-	0.6
Other changes	2.9	16.1	(0.4)	18.5
<b>BORROWINGS AS OF DECEMBER 31, 2021</b>	<b>€3,634.5</b>	<b>€233.2</b>	<b>€1.9</b>	<b>€3,869.6</b>

The analysis of the borrowings as of December 31, 2021 by currency and nature of rate is as follows:

<i>(in millions of euros)</i>	Currency analysis and rate nature					
	Total	Euros	Dollars	Other currencies	Fixed rate	Floating rate
Bonds	€3,634.5	€3,634.5	€-	€-	€3,634.5	€-
Term loans	233.2	99.8	132.2	1.3	1.3	231.9
Accrued interests	1.9	1.8	0.2	-	1.7	0.3
<b>TOTAL</b>	<b>€3,869.6</b>	<b>€3,736.0</b>	<b>€132.3</b>	<b>€1.3</b>	<b>€3,637.5</b>	<b>€232.2</b>

The table below provides a breakdown of total borrowings by contractual maturity date as of December 31, 2021:

<i>(in millions of euros)</i>	Payments due by period			
	Total	Less than 1 year	1-5 years	5-10 years
Bonds	€3,634.5	€900.0	€1,593.3	€1,141.2
Term loans	233.2	1.3	231.9	-
Accrued interests	1.9	1.9	-	-
<b>TOTAL</b>	<b>€3,869.6</b>	<b>€903.3</b>	<b>€1,825.2</b>	<b>€1,141.2</b>

## Bonds

On May 31, 2021, Standard & Poors Global Ratings confirmed their rating of "A-" with a stable outlook for Dassault Systèmes SE and its long term credit.

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 conditions of the bond issue are as follows:

Bonds	Nominal amount <i>(in millions of euros)</i>	Carrying amount <i>(in millions of euros)</i>	Maturity date	Coupon
2022	€900.0	€900.0	Sep 16, 2022	0.000%
2024	700.0	698.3	Sep 16, 2024	0.000%
2026	900.0	894.9	Sep 16, 2026	0.125%
2029	€1,150.0	€1,141.2	Sep 16, 2029	0.375%

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.

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 credit facilities; symmetrically, a higher rating would lead to a decrease in the applicable margins (with a floor).

## Term loans

In connection with the acquisition of Medidata Solutions, Inc., the Group also subscribed in October 2019 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.

On July 2, 2021 the Group voluntarily redeemed early part of its term loans for €200.0 million and \$150.0 million (€200.0 million and \$230.0 million on October 28, 2020).

## Line of credit

The Group obtained 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 December 31, 2021, the line of credit was not drawn down.

## Note 20 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 a maturity 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 market risks to which the Group is exposed to is provided in paragraph 1.9.2 "Financial and Market Risks" of the Universal registration document.

### Foreign currency risk

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

In 2021, revenue denominated in U.S. dollars represented 47.8% of the Group's total revenue (47.8% in 2020). Operating expenses denominated in U.S. dollars represented 48.4% of the Group's total operating expenses in 2021, compared with 49.1% in 2020. The Group's net operating exposure to U.S. dollar amounted to €464.2 million in 2021, so 9.6% of the Group's total revenue. The average value of the U.S. dollar decreased by approximately 3% against the euro in 2021 and decreased by approximately 2% in 2020, resulting in a negative impact on the Group's revenue and operating income in 2021 and in 2020.

In 2021, revenue denominated in Japanese yens represented 8.8% of the Group's total revenue, compared to 9.8% in 2020. Operating expenses denominated in Japanese yens represented 3.0% of the Group's total operating expenses in 2021 and 3.3% in 2020. The Group's net operating exposure to Japanese yen amounted to €313.1 million in 2021, so 6.4% of the Group's total revenue, and this exposure was in part hedged through market instruments at a level of €189.6 million, as further described below. The average value of the Japanese yen against the euro decreased by approximately 6% in 2021, and was flat in 2020, resulting in a negative impact on the Group's revenue and operating income in 2021 and a limited impact in 2020.

With the weights of U.S. dollars and Japanese yens in 2021 as described above, the Group estimates that the sensitivity on the operating income to a variation of +10% and -10% in the exchange rate of the euro against the U.S. dollar would have had an impact of €(42.2) and €51.6 million respectively. In addition, the Group estimates that the sensitivity on the operating income to a variation of +10% and -10% in the exchange rate of euro against the Japanese yen would have had an impact of €(28.5) and €34.8 million respectively.

The table below sets forth, for the year ended December 31, 2021, the value in euros of the Group's revenue, operating expenses and net position, before and after hedging, denominated in U.S. dollars, Japanese yens and other currencies (principally the euro):

	Year ended December 31, 2021			
	U.S. dollar	Japanese yen	Euro and other currencies	Total
<i>(in millions of euros)</i>				
Revenue	€2,322.4	€427.9	€2,109.9	€4,860.1
Operating expenses	(1,858.2)	(114.8)	(1,867.7)	(3,840.7)
<b>NET POSITION</b>	<b>€464.2</b>	<b>€313.1</b>	<b>€242.1</b>	<b>€1,019.4</b>
Hedge	(9.5)	189.6	45.8	225.9
<b>NET POSITION AFTER HEDGE</b>	<b>€473.7</b>	<b>€123.5</b>	<b>€196.3</b>	<b>€793.5</b>

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 risk 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.

To manage currency exposure, the Group generally uses foreign exchange forward contracts. Except those indicated in

the table below, the derivative instruments held by the Group are designated as cash flow hedges, with high correlation with the underlying exposure and highly effective in offsetting underlying price movements.

The effectiveness of forward contracts and currency options is measured using forward rates and the forward value of the underlying hedged transaction. During 2021 and 2020, the ineffective portion of gains or losses from hedging instruments was nil as per the effectiveness test.

At December 31, 2021 and 2020, the fair value of instruments used to manage the currency exposure (excluding the net investment hedge) was as follows:

(in millions of euros)	Year ended December 31,			
	2021		2020	
	Nominal amount	Fair value	Nominal amount	Fair value
Forward exchange contract USD/JPY – sale <sup>(1)</sup>	€73.8	€3.7	€73.0	€(0.1)
Forward exchange contract JPY/EUR – sale <sup>(1)</sup>	101.3	(0.7)	63.8	4.7
Forward exchange contract EUR/INR – sale <sup>(1)</sup>	36.4	2.5	47.0	(1.5)
Forward exchange contract USD/INR – sale <sup>(1)</sup>	46.7	1.0	31.8	0.8
Forward exchange contract GBP/EUR – sale <sup>(1)</sup>	46.5	(0.8)	22.5	0.7
Forward exchange contract USD/EUR – sale <sup>(1)</sup>	18.0	-	9.0	-
Forward exchange contract CNY/EUR – sale <sup>(1)</sup>	82.4	(2.8)	3.1	-
Other instruments <sup>(2)</sup>	7.2	-	30.4	(0.2)

(1) Instruments entered into by the Company 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 were recorded in other financial income and expense, net in the consolidated income statement.

The Group also hedges its foreign exchange risk by designating the term loan, issued by Dassault Systèmes SE, in U.S. dollar at variable rate, as a net investment hedge for the acquisition of Medidata Solutions, Inc. in the United States. In 2019, the initial amount hedged was \$530.0 million. In 2020 and 2021, part of this term loan has been redeemed early for \$230.0 million and \$150.0 million respectively bringing down the nominal value of this term loan to \$150.0 million (see Note 19 Borrowings). Gains or losses related to the effective portion of the net investment hedge, which have been recognized directly in equity for €(14.8) million and €30.9 million in 2021 and 2020 respectively, will be reclassified in the income statement in the event of the disposal of the net investment. During 2021 and 2020, the ineffective portion of gains or losses from hedging instrument was nil as per the effectiveness test (see Note 2 Summary of Significant Accounting Policies).

### Interest rate risk

The Group believes that changes in interest rates in 2021 did not materially affect its business and operating income and that it would be the same in the future. Therefore, the Group's interest rate risk is primarily a risk related to a reduction in financial income.

As part of the financing of the acquisition of Medidata Solutions, Inc., the Group subscribed, in October 2019, a term loan for €500.0 million bearing interest rate at Euribor 3 months +0.50% *per annum* and a term loan for \$530.0 million bearing interest rate at Libor USD 3 months +0.60% *per annum*. Part of these term loans has been redeemed early for €200.0 million and \$230.0 million in October 2020, and €200.0 million and \$150.0 million in July 2021 (see Note 19 Borrowings). These borrowings were not subject to interest rate swaps. With all other variables held constant, an increase in interest rates of 100 basis points would have made the annual interest expense €3.0 million higher in 2021, while a decrease in rates of 100 basis points would have lowered the annual interest expense by €0.4 million.

Financial income, which is composed of interest income from cash, cash equivalents and short-term investments, is sensitive to fluctuations in interest rates. As of December 31, 2021, cash and cash equivalents and short-term investments totaled €2,980.2 million, including €523.2 million sensitive to fluctuations in interest rates. With all other variables held constant, an increase in interest rates of 100 basis points would have had a positive impact in 2021 of €5.2 million on financial income and a decrease in interest rates of 100 basis points would have had a negative impact of €5.2 million.

## Note 21 Post-employment Benefits

Contributions made to defined contribution plans amount to €43.2 and €39.9 million in 2021 and 2020 respectively.

The Group provides defined benefit retirement indemnities to the employees of its French operations. The Group also has certain defined benefit plans in other countries, mainly in Germany and in Japan.

In France, defined employee benefits include certain gratifications paid upon anniversary of employment and retirement indemnities that are based upon an individual's years of credited service and annualized salary at retirement. Retirement indemnity benefits vest and are settled as a lump sum paid to the employee upon the employee's retirement.

The Group has implemented for the main French companies a job and career paths agreement for a period of three years, effective in February 2020. This plan allows eligible employees to retire fully or partially in advance while receiving a replacement income in the form of an allowance and maintain a social protection system. This plan is accounted for as a post-employment benefit which estimated costs are based on an assumption of expected proportion of employees to enter the plan and are accrued taking into account the employees estimated residual service period.

The projected benefit obligation was determined using the prospective method, based on the following assumptions:

### Assumptions

Assumptions used to determine the benefit obligation are as follows:

	Year ended December 31, 2021		Year ended December 31, 2020	
	Europe	Asia	Europe	Asia
Discount rate	1,00%*	0,70% – 2,80%	0,80%*	1,00% – 2,10%
Average rate of compensation increase	2,20% – 3,00%	2,50% – 5,00%	1,80% – 2,60%	2,50% – 5,00%

\* Except for the job and career paths agreement implemented for French companies.

### Components of net periodic benefit cost

The components of net periodic benefit cost were as follows:

(in millions of euros)	Year ended December 31,	
	2021	2020
Service cost*	€(18.3)	€(43.6)
Interest cost on benefit obligations	(1.9)	(2.0)
Interest income on plan assets	0.3	0.4
Other	0.1	0.2
<b>NET PERIODIC BENEFIT COST</b>	<b>€(19.8)</b>	<b>€(45.1)</b>

\* In 2020, includes service costs related to the job and career paths agreement implemented for French companies for €(11.5) million.

## Obligations and funded status

Changes in benefit obligations and plan assets are as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Benefit obligations at beginning of year	€242.9	€213.7
Service cost	18.3	43.6
Interest cost on benefit obligations	1.9	2.0
Remeasurement <sup>(1)</sup>	(4.4)	(5.2)
Benefits paid	(14.6)	(7.3)
Exchange rate differences and other changes <sup>(2)</sup>	(21.9)	(4.0)
<b>BENEFIT OBLIGATIONS AT END OF YEAR</b>	<b>€222.2</b>	<b>€242.9</b>
Fair value of plan assets at beginning of year	37.7	39.7
Employer contribution	7.8	(1.3)
Interest income and return on plan assets	0.3	0.4
Benefits paid	(1.8)	(1.0)
Remeasurement	0.8	(0.3)
<b>FAIR VALUE OF PLAN ASSETS AT END OF YEAR</b>	<b>€44.8</b>	<b>€37.4</b>
<b>NET DEFINED BENEFIT LIABILITY</b>	<b>€(177.4)</b>	<b>€(205.5)</b>

(1) Remeasurement gains and losses mainly arise from changes in financial assumptions. A decrease of 150 basis points in the discount rates would increase the obligation by €52.2 million.

(2) In 2021 and in 2020, includes the reclassification in Accrued compensation and other personnel costs for €13.0 million and €3.9 million respectively as part of the job and career paths agreement implemented for French companies.

The benefit obligation by geographical location is as follows:

	Year ended December 31,	
	2021	2020
Europe	85%	87%
Asia	15%	13%
<b>TOTAL BENEFIT OBLIGATIONS</b>	<b>100%</b>	<b>100%</b>

The fair value of plan assets is fully allocated in Europe.

## Plan assets

The weighted average asset allocations are as follows:

	Year ended December 31,	
	2021	2020
Debt instruments	79%	83%
Equity instruments	12%	6%
Other	8%	11%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

## Average duration

The average duration of the main entities in each country is as follow:

<i>(in years)</i>	France	Korea	Japan	Germany
2021	10.4	6.7	7.2	15.1
2020	10.8	7.4	7.5	15.8

## Cash flows

The Group does not expect to make any additional contributions to the hedge funds related to its pension plans in 2022.

The planned payments to the beneficiaries for future periods are presented in the following table:

<i>(in millions of euros)</i>	<b>Total</b>
2022	€15.8
2023	19.0
2024	15.0
2025	12.8
2026	11.1
2027-2031	68.8

## Note 22 Shareholders' Equity

### Shareholders' equity activity

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 comprising the capital was multiplied by five.

As of December 31, 2021, Dassault Systèmes SE had 1,332,716,653 common shares issued with a nominal value of €0.10 per share.

Changes in shares outstanding are as follows:

<i>(in number of shares)</i>	<b>Year ended December 31,</b>	
	<b>2021*</b>	<b>2020*</b>
<b>SHARES ISSUED AS OF JANUARY 1,</b>	<b>1,325,681,185</b>	<b>1,320,190,005</b>
Exercise of stock options	7,035,468	5,491,180
<b>SHARES ISSUED AS OF DECEMBER 31,</b>	<b>1,332,716,653</b>	<b>1,325,681,185</b>
Treasury stock as of December 31,	(22,554,315)	(20,299,695)
<b>SHARES OUTSTANDING AS OF DECEMBER 31,</b>	<b>1,310,162,338</b>	<b>1,305,381,490</b>

\* 2020 figures have been restated and 2021 presented in order to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021.

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. No changes were made in the objectives, policies or processes during the years ended December 31, 2021 and 2020.

### Dividend rights

Dassault Systèmes SE is required to maintain a legal reserve equal to 10% of the aggregate nominal value of its issued share capital. The legal reserve balance was €13.3 and €13.2 million as of December 31, 2021 and 2020, respectively, and represents a component of retained earnings in the consolidated balance sheet. The legal reserve is distributable only upon the liquidation of Dassault Systèmes SE.

Distributable profit, consisting of net income of the year increased by retained earnings from prior years and after deduction for legal reserve when required, is available for distribution to shareholders of the Group as dividends. Allocation of this profit is subject to approval by the General Meeting of Shareholders following recommendations by the Board of Directors.

The May 2021 and May 2020 Shareholders' Meetings have decided to distribute dividends, fully in cash, for respectively €147.1 million and €182.5 million in 2021 and in 2020.

Dividends per share were €0.56 and €0.70 as of December 31, 2020 and 2019, respectively. These amounts have not been restated in relation to the five-for-one share split on Dassault Systèmes' share.

No dividend was paid to non-controlling interest in 2021 and 2020.

## Stock repurchase programs

The General Meeting of Shareholders of May 26, 2021 authorized the Board of Directors to implement a share repurchase program limited to 5,000,000 of Dassault Systèmes' shares (i.e. 25,000,000 shares after the split of the par value of the Dassault Systèmes' share by five on July 7, 2021). Under this authorization, the Company may not buy shares above a maximum annual aggregate amount of €800 million.

The Group signed a liquidity agreement with broker Oddo BHF SCA, for an initial period until December 31, 2015, automatically renewable for subsequent 12-month terms. On December 31, 2021, 2,750,741 shares were acquired, at an average price of €41.41, and 2,847,696 shares were sold, at an average price of €42.18.

The Group also signed several share repurchase agreements with Société Générale during the year. One of them was signed on September 10, 2021, for a period covering from

September 13, 2021 to October 28, 2021. 3,500,000 shares were acquired under this agreement, at an average price of €47.19. Another was signed on December 10, 2021, for a period covering from December 13, 2021 to February 3, 2022. 198,938 shares were acquired, at an average price of €51.54.

Finally, as part of the employee shareholding plan "TOGETHER" (see Note 7 Share-based Compensation), the Group signed with Crédit Agricole Corporate Investment Bank on October 29, 2021 a share repurchase agreement with deferred payment covering a period from November 5, 2021 to December 2, 2021. 4,395,772 shares were acquired at an average price of €54.28, i.e a total amount of €238.6 million (see Note 18 Other Liabilities). These shares, delivered in December 2021, were paid on January 20, 2022, the day of the capital increase related to the TOGETHER plan (see Note 28 Events After the Reporting Period), and almost all them are to be cancelled.

## Components of other comprehensive income

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
<b>HEDGING RESERVES:</b>		
(Losses) Gains arising during the year	€(8.5)	€33.7
Less: Gains (Losses) reclassified to the income statement	8.1	(2.3)
	<b>€(16.6)</b>	<b>€36.0</b>

## Supplementary acquisition of shares in Centric Software, Inc.

On August 26, 2021, the Group performed a supplementary acquisition of Centric Software, Inc. shares, increasing its shareholding in this company from 63.2% to 93.6%. No significant payment was made in relation to this acquisition of non-controlling interests because a prepayment was performed by the Group in 2018.

Since its take-over in 2018, Centric Software, Inc. has been fully consolidated in the Group's consolidated financial statements.

As a consequence, the supplementary acquisition of Centric Software, Inc. shares was treated as an equity transaction, generating a reallocation between the non-controlling interests' and the parent shareholders' equity. The impact on the 2021 variation of the total consolidated equity is not significant because the supplementary acquisition cost was already recognized as a deduction from the consolidated equity along with the recognition and the reassessments of the debt related to the put options held by the non-controlling interests.



## Note 23 Consolidated Statements of Cash Flows

Adjustments for non-cash items consist of the following:

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
Depreciation and impairment of property and equipment	14	€193.5	€189.6
Amortization and impairment of intangible assets	16	383.1	414.9
Non-cash share-based compensation expense	6, 7	171.6	178.3
Deferred taxes	10	(96.8)	(95.7)
Other*		53.6	55.4
<b>ADJUSTMENTS FOR NON-CASH ITEMS</b>		<b>€705.1</b>	<b>€742.5</b>

\* In 2021 and 2020 includes provisions for tax risks impact (see Note 10 Income Taxes).

Changes in operating assets and liabilities consist of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
(Increase) decrease in trade accounts receivable and contract assets	€(47.2)	€16.5
Increase (decrease) in accounts payable	12.4	(36.4)
Increase (decrease) in accrued compensation	57.2	(24.4)
Increase (decrease) in income tax payable	69.5	(113.9)
Increase in contract liabilities	63.1	141.8
Changes in other assets and liabilities	(20.7)	29.7
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>	<b>€134.3</b>	<b>€13.3</b>

Other information:

Payment for acquisition of businesses, net of cash acquired is related to INTEROPSY SAS ("Iterop") and Armonica Retail S.r.l. in 2021, and Nuodb, Inc. and PROXEM SAS in 2020.

## Note 24 Commitments and Contingencies

### Litigation and other proceedings

The Group is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations.

The Group is subject to ongoing tax audits and tax reassessments in jurisdictions in which it has or had operations. Certain of these reassessments, in particular those related to acquisition financing, are being challenged by the Group which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities. In this context, the Group has made payments to the French tax authorities for a total amount of €144.9 million from 2014 to 2020, but has disputed them with the relevant authorities. In June 2019, following the decision of the Appeal Court during the second quarter of 2019, the Group lodged an Appeal in Cassation before the High Court (or Supreme Court) in relation

to this dispute. The High Court has 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 has adopted a new argumentation, based on the scope of article 145 of the General Tax Code, to reject the Group's position. The Group disagrees with the analysis of the Court of Appeal, and, therefore, lodged a new Appeal in Cassation before the High Court. The High Court accepted the lodging in December 2021.

It is not possible to determine with certainty the outcome of the dispute and notably the resulting expense for the Group, if any. The total amount paid to the tax authorities represents the current Group's maximum exposure. However, in the opinion of management, after consultation with its lawyers, the resolution of such litigation and proceedings should not have a material effect on the consolidated financial statements of the Group.

### 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 offices.

### 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 25 Related-Party Transactions

### Compensation of key management personnel

The table below summarizes compensation granted to the members of the Group's Executive team and to the Chairman of the Board of Directors in 2021 and 2020:

(in millions of euros)	Year ended December 31,	
	2021	2020
Short-term benefits <sup>(1)</sup>	€11.2	€10.5
Share-based compensation <sup>(2)</sup>	46.5	45.2
<b>COMPENSATION OF KEY MANAGEMENT PERSONNEL</b>	<b>€57.8</b>	<b>€55.7</b>

(1) Including gross salaries, bonus, incentives, profit-sharing, directors' fees and fringe benefits paid.

(2) Expense recorded in the income statement for share-based compensation. In 2020 and 2021, includes the expense related to the amendment of the rules of the 2019-A, 2019-B and 2019-A2 performance shares plans (see Note 7 Share-based Compensation).

In certain circumstances, the Group Chief Executive Officer is entitled to an indemnity payment upon the termination of his functions as Chief Executive Officer. The amount of the indemnity due would be equivalent to a maximum of two years of compensation as Chief Executive Officer and would depend on satisfying the performance conditions established for calculating his variable compensation.

### Other transactions with related parties

Dassault Systèmes SE has a normal parent-company relationship with its subsidiaries. The main characteristics of this relationship are presented in Dassault Systèmes SE's financial statements, in chapter 4.2.

Dassault Systèmes SE licenses its products for internal use to Dassault Aviation SA, a sister company to the Company. The

Chairman of Dassault Systèmes SE is, since May 29, 2018, the Chairman of Groupe Industriel Marcel Dassault SAS (of which he was Chief Executive Officer until that date), which controls Dassault Aviation SA. Dassault Aviation SA and its subsidiaries license the Company's products on commercial terms consistent with those granted to the Company's other customers of similar size. These licenses generated €25.2 million and €23.5 million of software revenue for the years ended December 31, 2021 and 2020, respectively.

Such activity generated service revenues of €12.0 million and €13.3 million in the years ended December 31, 2021 and 2020, respectively. The balances of trade accounts receivable with Dassault Aviation SA and its subsidiaries were €15.6 million, and €19.4 million at December 31, 2021 and 2020, respectively.

## Note 26 Principal Statutory Auditors' Fees and Services

The following table presents the amount of fees paid to each of the Group's principal Statutory Auditors in 2021 and 2020:

	PricewaterhouseCoopers Audit				EY			
	Amount		%		Amount		%	
	2021	2020	2021	2020	2021	2020	2021	2020
<i>(in millions of euros, excluding VAT)</i>								
<b>Certification of accounts</b>								
Audit opinion, review of statutory and consolidated financial statements <sup>(1)</sup> :								
– issuer	€0.7	€0.7	23%	21%	€0.4	€0.5	30%	30%
– other consolidated subsidiaries	1.7	1.8	55%	53%	0.9	0.8	61%	53%
<b>SUBTOTAL</b>	<b>2.4</b>	<b>2.6</b>	<b>78%</b>	<b>75%</b>	<b>1.3</b>	<b>1.2</b>	<b>91%</b>	<b>84%</b>
<b>Other services</b>								
Other audit-related services <sup>(2)</sup> :								
– issuer	-	-	-	-	-	-	-	-
– other consolidated subsidiaries	-	0.1	-	2%	-	-	-	-
Other services (legal, tax, social) <sup>(3)</sup> :								
– issuer	0.1	0.1	4%	2%	0.1	0.1	5%	4%
– other consolidated subsidiaries	0.5	0.8	18%	22%	0.1	0.2	4%	12%
<b>SUBTOTAL</b>	<b>0.7</b>	<b>0.9</b>	<b>22%</b>	<b>25%</b>	<b>0.1</b>	<b>0.2</b>	<b>9%</b>	<b>16%</b>
<b>TOTAL</b>	<b>€3.0</b>	<b>€3.4</b>	<b>100%</b>	<b>100%</b>	<b>€1.4</b>	<b>€1.5</b>	<b>100%</b>	<b>100%</b>

- (1) Audit opinion, review of statutory and consolidated financial statements for the years ended December 31, 2021 and 2020 include the Group audit, statutory audits, consents, attest services of Dassault Systèmes SE's and its subsidiaries' financial statements, and services provided in connection with documents filed with the AMF.
- (2) Audit-related fees generally consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements and include due diligence services related to acquisitions, consultations concerning financial accounting and reporting standards, and attestation services not required by statute or regulation.
- (3) Fees billed by members of the Statutory Auditors' respective networks to consolidated subsidiaries are related to the support in the execution of software licensing reviews and to local and international tax compliance services, including the review of tax returns and tax services regarding statutory, regulatory or administrative developments and expatriate tax assistance and compliance.

## Note 27 Principal Dassault Systèmes Companies

The principal Dassault Systèmes SE subsidiaries included in the scope of consolidation as at December 31, 2021 are as follows:

Country	Consolidated companies	% of Interest
France	Dassault Data Services SAS	100%
France	Outscale SAS	100%
Germany	Dassault Systèmes Deutschland GmbH	100%
Germany	Dassault Systèmes 3DExcite GmbH	100%
Netherlands	Dassault Systèmes B.V.	100%
Italy	Dassault Systèmes Italia Srl	100%
Sweden	Dassault Systèmes AB	100%
United Kingdom	Dassault Systèmes UK Limited	100%
United Kingdom	MDSOL Europe Limited	100%
Canada	Dassault Systèmes Canada Inc.	100%
United States	Centric Software, Inc.	93.6%
United States	Dassault Systèmes Americas Corp.	100%
United States	Dassault Systèmes Corp.	100%
United States	Dassault Systèmes Simulia Corp.	100%
United States	Dassault Systèmes SolidWorks Corporation	100%
United States	Medidata Solutions, Inc.	100%
United States	No Magic, Inc.	100%
United States	Spatial Corp.	100%
United States	DS Government Solutions Corp.	100%
China	Dassault Systèmes (Shanghai) Information Technology Co., Ltd.	100%
India	Dassault Systèmes Solutions Lab Private Limited	100%
India	Dassault Systèmes India Private Limited	100%
South Korea	Dassault Systèmes Korea Corp.	100%
Japan	Dassault Systèmes K.K.	100%
Japan	SolidWorks Japan K.K.	100%
Singapore	Dassault Systèmes Singapore Pte. Ltd.	100%
Australia	Dassault Systèmes Australia Pty Ltd	100%
Malaysia	Dassault Systèmes Innovation Technologies Malaysia Sdn.Bhd	100%

## Note 28 Events After the Reporting Period

### Employee shareholding plan "TOGETHER"

As part of the launch of the employee shareholding plan "TOGETHER" (see Note 7 Share-based Compensation and Note 22 Shareholder's Equity), Dassault Systèmes SE has carried out a capital increase of 4.3 million shares on January 20, 2022 for a total of 198.5 million euros, including share premium.

### Term loans

The Group voluntarily redeemed early the remaining part of its term loans in connection with the acquisition of Medidata Solutions, Inc., for €100.0 million on January 28, 2022 and \$150.0 million on February 28, 2022 (see Note 19 Borrowings).

## 4.1.2 Statutory Auditors' Report on the Consolidated Financial Statements

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*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of the Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders of Dassault Systèmes SE,

### Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Dassault Systèmes SE for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

#### Justification of assessments – Key audit matters

Due to the global crisis related to the COVID-19 pandemic, the consolidated financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

#### Recognition of revenue from complex contractual arrangements

##### Description of risk

As described in the section entitled "Revenue recognition" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements, the Group derives revenue from multiple sources, chief among them software licenses, subscriptions, support and services.

Where contractual arrangements include multiple elements sold as a single package, determining the date of recognition of the resulting revenue and how that revenue should be allocated between the various performance obligations can be difficult and can require a significant degree of judgment from management.

The revenue for each element of the complex contractual arrangements is allocated to each distinct performance obligation based on their stand-alone selling price. With respect to perpetual software licenses only sold bundled with one year of support, the stand-alone selling price is determined using the residual approach. Allocating revenue between the various performance obligations requires analyses by management and, potentially, adjustments, both of which can be complex.

In addition, when a software license sale is combined with a service deemed essential to the functionality of the software, the two performance obligations (software and service) are not distinct. Therefore, the license revenue is recognized as and when the service obligation is recognized. Determining whether or not a service is essential to the functionality of a product requires significant judgment from management, as does analyzing the potential future profits to be gained from the corresponding long-term contract.

Moreover, recognizing revenue from complex contractual arrangements typically requires an in-depth analysis of contractual terms and conditions, together with other relevant documentation shared with customers during negotiations, with a view to ascertaining the full scope and type of the elements the Group has committed to providing and thus recognizing the revenue for each element on the appropriate date and at the appropriate value.

For the above reasons, we deemed the recognition of revenue from complex contractual arrangements to be a key audit matter.

#### *How our audit addressed this risk*

In the course of our audit, we gained an understanding of internal control systems relating to the recognition of revenue that were implemented by the Group within its main shared services centers worldwide and tested the controls deemed key relating to these systems that we considered to be the most relevant.

Throughout the year, we performed analyses on all complex contractual arrangements deemed material, as well as on a sample of randomly selected arrangements, with the aim of verifying that management's judgments in terms of the allocation of revenue between each performance obligation were consistent with the Group's accounting policies, and that revenue had been recognized for the correct amount and with respect to the appropriate reporting period. Our work consisted primarily in analyzing the contractual terms and conditions, re-calculating the stand-alone selling price of each element tested, analyzing the essentiality criteria for services associated with software sales and verifying the consistency of revenue recognition with the Group's accounting policies and IFRS as adopted by the European Union.

We also tested all significant manual accounting entries affecting revenue from complex contractual arrangements for consistency with the Group's accounting policies.

Lastly, we analyzed the related disclosures provided in Note 2 "Summary of Significant Accounting Policies" and Note 4 "Software Revenue" to the consolidated financial statements.

## **Business combinations and impairment of goodwill and non-current intangible assets**

### *Description of risk*

Each year, the Group undertakes selected key acquisitions. In this respect, as described in the section entitled "Business combinations and goodwill" of Note 2 "Summary of Significant Accounting Policies" to the consolidated financial statements, the identifiable assets, liabilities and contingent liabilities of the newly acquired entities are recognized at their fair value. The excess of the price of the acquisition over the fair value of the net acquired assets is recorded as goodwill at the acquisition date.

At December 31, 2021, the Group's non-current assets included goodwill for €4,712.4 million, software for €1,992.8 million and customer relationships for €1,332.1 million. These amounts derive mainly from business combinations and primarily include the impacts of the Medidata Solutions Inc. acquisition, completed on October 28, 2019 for an acquisition price of €5,060.8 million.

In accordance with IAS 36, the aforementioned entries are tested for impairment at least annually, or whenever an indication of impairment is identified.

Given (i) the materiality of the amounts in question in the Group's financial statements and (ii) the measurement methods used in acquisitions and in annual impairment tests, which rely in particular on projected future cash flows, we deemed the measurement of non-current assets to be a key audit matter. In order to implement the aforementioned measurement methods, management must rely on assumptions and make estimates. Regarding the specific matter of recently acquired companies, the degree of judgment involved in projecting future cash flows is even more significant as projections cannot necessarily be compared with historical data from these companies.

***How our audit addressed this risk***

For each acquisition, we analyzed the methods used to identify and measure the assets acquired and liabilities assumed and to implement the annual impairment tests of the related goodwill.

Our procedures consisted in taking note of the measurement methods applied by the Group as well as the main assumptions and estimates used, particularly in terms of future cash flows, long-term growth rates and discount rates. We also compared the initial cash flow forecasts with actual cash flows.

In addition, with the assistance of our valuation experts, we carried out our own sensitivity analyses to supplement our assessment of the key assumptions and inputs used.

Lastly, we analyzed the related disclosures provided in Note 2 "Summary of Significant Accounting Policies", Note 16 "Intangible Assets, Net" and Note 17 "Goodwill" to the consolidated financial statements.

**Tax risks*****Description of risk***

The Group carries out its business activities in many countries and must therefore abide by multiple different laws and regulations. This is particularly the case for tax regulations, which can be a source of risk for the Group in terms of how they are applied and may lead to tax disputes.

The Group assesses its tax positions and their technical justifications at the end of each reporting period. Where a risk in terms of how the local tax rules should be applied is identified, the Group measures and records a provision for tax risk if an outflow of resources appears likely. Conversely, when it makes a payment further to a disputed tax reassessment and where it deems its position in that dispute to be technically justified, the Group simultaneously records a tax credit for the refund it will likely receive.

Some of the ongoing tax disputes concern tax reassessments relating to the financing of acquisitions. Accordingly, between 2014 and 2020, the Group made payments totaling €144.9 million to the French tax authorities further to adjustments of the tax bases for the relevant years audited, as described in Note 24 "Commitments and Contingencies" to the consolidated financial statements, and recorded a tax credit for the same amount, as described in Note 15 "Other Non-Current Assets" to the consolidated financial statements. In this case, there is a risk that the tax credit will not be recovered.

Given (i) the materiality of the ongoing tax disputes and (ii) the complex technical analyses required for their assessment, we deemed the assessment of tax risks to be a key audit matter. These analyses are specific to each tax jurisdiction and require a significant degree of judgment from management. Moreover, they are ultimately subject to a final decision from the local tax authorities concerned.

***How our audit addressed this risk***

With guidance from experts in international and French tax law, we analyzed the main grounds for reassessment cited by the local tax authorities against the Group, as well as the judgments made by management with respect to tax risks and disputes deemed significant. We also reconciled the assumptions and estimates used to recognize tax provisions with the Group's accounting policies and IFRS as adopted by the European Union.

For the most significant disputes for which a tax credit was recognized, in particular the reassessments relating to the above-mentioned acquisition financing matter, we also analyzed the technical opinions obtained by the Group from independent tax lawyers with a view to assessing the consistency thereof with the judgments made by management and the accounting treatments applied.

Lastly, we analyzed the related disclosures provided in Note 15 "Other Non-Current Assets" and Note 24 "Commitments and Contingencies" to the consolidated financial statements.

**Specific verifications**

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group presented in the management report includes the consolidated non-financial performance statement required under Article L. 225-102-1 of the French Commercial Code. However, in accordance with Article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

## Other verifications and information pursuant to legal and regulatory requirements

### Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

### Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Dassault Systèmes SE by the General Meeting of Shareholders held on June 8, 2005 for PricewaterhouseCoopers Audit and on May 27, 2010 for Ernst & Young et Autres.

At December 31, 2021, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the seventeenth and twelfth consecutive year of their engagement, respectively.

Previously, Ernst & Young Audit was the Statutory Auditor of Dassault Systèmes SE from 1998.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

### Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

#### *Objective and audit approach*

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

#### **Report to the Audit Committee**

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2022

The Statutory Auditors

**PricewaterhouseCoopers Audit**  
Thierry Leroux

**Ernst & Young et Autres**  
Nour-Eddine Zanouda

## 4.2 Parent company financial statements

The annual financial statements set out in this chapter are those of the entity Dassault Systèmes SE. They present the financial situation and performance of the parent company, and do not include the accounts of the Group's subsidiaries, unlike the consolidated financial statements.

The annual financial statements for the year ended December 31, 2021 were prepared in accordance with the current French accounting rules. New standards and recommendations effective beginning on January 1, 2021 had no significant impact on the annual financial statements.

In 2021 operating revenue increased 8.0% to €1,866.8 million from €1,728.1 million in 2020 principally driven by royalties earned from the Group for products sold with a technology owned by Dassault Systèmes SE, subscription and support revenues and intra-group recharges of shared costs. The portion of revenue earned on export sales amounted to €1,507.7 million and represented 81.9% of net revenue. Software revenue increased 7.9% to €1,382.0 million in 2021 from €1,280.3 million in 2020.

Operating expenses increased 6.5% to €1,468.9 million in 2021, from €1,379.7 million in 2020. The main drivers of this change were as follows:

- the increase of other purchases and external expenses principally reflecting higher expenses relating to IT services in connection with the growth of cloud hosting service activities;

- the growth of personnel costs resulting from the net hirings and the salary evolution and finally, the social charges on performance share plans in relation to the growth of the share price;
- the increase of other expenses driven by the growth of the royalties due to other subsidiaries for Group products sales.

Operating income increased 14.2% from €348.4 million in 2020 to €397.9 million in 2021.

2021 financial income amounted to €214.7 million, compared with €241.8 million for the prior year. This change was principally due to the decrease of the dividends received from the subsidiaries of the Company.

Exceptional income and loss amounted to a loss of €81.7 million in 2021 compared to a loss of €67.0 million in 2020 and is impacted an exceptional foreign exchange loss related to the equity restructuring of a subsidiary.

In 2021, income tax expense decreased to €33.6 million from €54.0 million in 2020. Income tax expense decrease is principally explained by a lower corporate tax rate and tax deduction of pension expenses in 2021.

Net income increased to €431.3 million in 2021 from €412.9 million in 2020.

Cash and cash equivalents and marketable securities amounted to €1,172.5 million, compared with €904.9 million at December 31, 2020.

## 4.2.1 Parent company financial statements and notes

### Statement of income

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>OPERATING REVENUE</b>	<b>3</b>	<b>1,866.8</b>	<b>1,728.1</b>
Revenue		1,839.8	1,716.4
Of which exports		1,507.7	1,415.0
Other revenue		27.0	11.7
<b>OPERATING EXPENSE</b>		<b>(1,468.9)</b>	<b>(1,379.7)</b>
Other purchases and external expenses		(542.9)	(524.3)
Taxes, duties and similar payments		(29.0)	(33.6)
Personnel Costs	4	(571.8)	(522.6)
Depreciation, amortization and provisions		(81.8)	(85.2)
Other operating expense		(243.5)	(214.0)
<b>OPERATING INCOME</b>		<b>397.9</b>	<b>348.4</b>
<b>FINANCIAL INCOME/(EXPENSE), NET</b>	<b>5</b>	<b>214.7</b>	<b>241.8</b>
<b>CURRENT INCOME</b>		<b>612.5</b>	<b>590.2</b>
<b>EXCEPTIONAL INCOME/(LOSS), NET</b>	<b>6</b>	<b>(81.7)</b>	<b>(67.0)</b>
<b>EMPLOYEE PROFIT-SHARING</b>		<b>(66.0)</b>	<b>(56.3)</b>
<b>INCOME TAX EXPENSE</b>	<b>7</b>	<b>(33.6)</b>	<b>(54.0)</b>
<b>NET INCOME</b>		<b>431.3</b>	<b>412.9</b>

## Balance sheet

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>Assets</b>			
<b>NON-CURRENT ASSETS NET</b>		<b>7,578.0</b>	<b>7,550.7</b>
Intangible Assets	10	272.2	280.0
Property and Equipment	11	51.7	54.6
Non-current Financial Assets	12	7,254.0	7,216.1
<b>CURRENT ASSETS NET</b>		<b>2,447.5</b>	<b>2,064.0</b>
Receivables	13	772.8	717.8
Marketable Securities	14	686.5	684.3
Treasury Shares	14	502.3	441.3
Cash and cash equivalents	14	486.0	220.6
<b>PREPAID EXPENSES</b>	<b>20</b>	<b>94.3</b>	<b>75.7</b>
<b>DEFERRED EXPENSES, BOND ISSUE AND REDEMPTION PREMIUMS</b>	<b>17</b>	<b>18.4</b>	<b>23.9</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENT</b>		<b>1.4</b>	<b>1.0</b>
<b>TOTAL ASSETS</b>		<b>10,139.5</b>	<b>9,715.3</b>

<i>(in millions of euros)</i>	Note	Year ended December 31,	
		2021	2020
<b>Liabilities and equity</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>15</b>	<b>4,698.4</b>	<b>4,254.4</b>
Capital		133.3	132.6
Share and contribution premiums		1,379.6	1,225.6
Reserves		13.4	13.3
Retained earnings		2,738.0	2,467.0
Income for the fiscal year		431.3	412.9
Regulated provisions		2.9	3.0
<b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>	<b>16</b>	<b>584.9</b>	<b>556.6</b>
<b>FINANCIAL LIABILITIES</b>	<b>17</b>	<b>3,907.2</b>	<b>4,224.8</b>
<b>TRADE PAYABLES</b>	<b>19</b>	<b>836.7</b>	<b>576.6</b>
<b>UNEARNED REVENUE</b>	<b>20</b>	<b>107.7</b>	<b>76.4</b>
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENT</b>		<b>4.5</b>	<b>26.5</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,139.5</b>	<b>9,715.3</b>

## Notes to the Annual Financial Statements for Years Ended December 31, 2021 and 2020

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## Note 1 Description of Business and Key Events of the Year

### Description of business

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

The Company 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; and a portion of Business Services); **Life Sciences & Healthcare** (Life Sciences); and **Infrastructure & Cities** (Energy & Materials; Construction, Cities & Territories; Business Services). To serve its customers, the Company has developed a broad software applications portfolio, comprised of 3D modeling applications, simulation applications, social and collaborative applications, and information intelligence applications, powered by its 3DEXPERIENCE platform.

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, in Vélizy- Villacoublay, France. The Dassault Systèmes SE shares are listed in France on Euronext Paris and Groupe Industriel Marcel Dassault (GIMD) is the main shareholder, see paragraph 6.3.2 “Controlling Shareholder”. These annual financial statements were established under the responsibility of the Board of Directors on March 15, 2022.

### Key Events of the Year

#### Mergers

As part of its program to simplify the organization of its legal entities throughout the world, Dassault Systèmes SE carried out the following merger operations through *Transmission Universelle de Patrimoine (TUP)* in 2021:

- as of January 1: Distene SAS;
- as of July 1: Proxem SAS.

### Early repayment of two loans

In connection with the acquisition of Medidata Solutions, Inc., the Company subscribed in October 2019 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.

On July 2, 2021 the Company voluntarily redeemed early part of its term loans for €200.0 million and \$150.0 million (€200.0 million and \$230.0 million on October 28, 2020).

### Shareholders’ equity activity

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 comprising the capital was multiplied by five.

### Employee shareholding

The Company launched in 2021 an employee shareholding plan: “TOGETHER”.

This plan allows employees, in most countries, to subscribe to a leveraged shareholding plan (equity settled transactions) with a discounted preferential rate of 15% compared to the arithmetic average of the price of the Dassault Systèmes share weighted by the volumes traded on the Euronext market during the 20 sessions preceding the date on which the subscription price is fixed. The subscription price has thus been fixed at €46.14 on December 3, 2021 (after the five-for-one share split on Dassault Systèmes’ share).

Once subscriptions are made, no period of service is required. The shares must be kept for a period of five years (three years in the United States), except for cases of early release covered by plan rule.

The plan was finalized on January 20, 2022, with the related capital increase of the Company (see Note 23 Additional Information). In order to neutralize the dilutive effect of this plan, the Company repurchased late 2021 some treasury shares; almost all of them will be cancelled (see Note 12 Non-Current Financial Assets and Note 19 Trade Payables).

## Note 2 Summary of Significant Accounting Policies

The financial year lasts for 12 months from January 1 through December 31.

The annual financial statements for the fiscal year ended December 31, 2021 have been prepared and are presented in accordance with the rule ANC n° 2014-03 related to the French General Chart of Accounts (PCG). New standards and recommendations effective beginning on January 1, 2021 had no significant impact on the annual financial statements.

In particular, the annual financial statements have been prepared in accordance with the principle of prudence, the principle of continuity of accounting methods from one year to the next, the independence of financial years, and under the going concern assumption. Assets and liabilities are initially recorded at historical cost.

Significant accounting policies applied are as follows:

### Revenue

The Company derives revenue from three primary sources: (i) licenses, other software revenue (which includes the development of additional functionalities of standard products requested by clients), subscription and support (which includes software license updates and technical support); (ii) consulting and training services; and (iii) royalties from distribution agreements signed primarily with the Company's subsidiaries and generally collected in currency of the subsidiary.

Revenues are disclosed net of taxes collected from customers and remitted to governmental authorities.

The Company accounts for a contract with a client when there is a written agreement that creates legally enforceable rights and obligations, including payment terms, when the contract has commercial substance and when collection consideration is probable. A performance obligation is a promise in a contract with a client to transfer products or services that are distinct from the other promises of the contract.

Revenue is recognized when, or as, control of a promised product or service is transferred to a client, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products or services.

The Company's products are also sold by value-added resellers that are assessed as principal in the transaction because they generally have the primary responsibility for fulfillment to the end-customer. As a result, the Company recognizes revenue in the amount of the fee it expects to be entitled to, i.e. the consideration paid by the distributor, assuming all other revenue recognition criteria have been met.

### Licenses, subscription, support and other software revenue

Software license revenue represents fees earned from granting customers licenses to use the Company's software. It includes perpetual and periodic license sales of software products and is recognized at a point in time for an arrangement when control is transferred to the client.

Subscription contracts generally have a one-year term and contain two separate performance obligations pertaining to on premise software license and support. The revenue from such arrangements is recognized in line with revenue from arrangements with multiple performance obligations.

Subscription revenue also is derived from access to cloud solution contracts including remote access to a software solution, hosting and support services. Revenue from cloud subscription is generally recognized linearly over the contractual term.

Support revenue represents periodic fees associated with the sale of unspecified product updates on a when-and-if-available basis and technical support. Support agreements are entered into in connection with the initial software license purchase. Support may be renewed by the customer at the conclusion of each term. Revenue from support is recognized on a straight-line basis over the term of the support agreement as the Company has a continuing obligation to provide services.

Other software revenue mainly relates to the development of additional functionalities of standard products requested by clients and is recognized when the development work is performed.

Recurring fees for subscription and support are reported within "Software Revenue".

Revenue under arrangements with multiple performance obligations, which typically include software licenses, support and/or services agreements sold together is allocated to each distinct performance obligation based on their standalone selling price.

The stand-alone selling price is the price at which the Company would sell a promised product or service separately to a client. The Company generally establishes stand-alone selling price based on the observable prices of products or services sold separately in comparable circumstances to similar clients. Estimating stand-alone selling price is a formal process that includes review and approval by the Company's management.

In certain instances, e.g. perpetual software licenses only sold bundled with one year of support, the Company is not able to establish a standalone selling price range based on observable prices. The stand-alone selling price is then determined by applying the residual approach.

When a sale of a license goes along with a service essential to the software functionality, the two performance obligations (software and service) are not distinct. Therefore, the license revenue is recognized in accordance with the pattern of recognition of the service obligation.

### Services Revenue

Services revenue consist primarily of fees from consulting services in process optimization and in methodology for design, deployment and support, and training services. Services generally do not require significant modification or customization of software products and are accounted for separately to the extent they are not essential to the functionality of software products.

Performance obligation from fixed price contracts are usually satisfied over the time. The revenue is recognized using percentage of completion based on the labor costs incurred to date as a percentage of the total estimated labor costs to fulfill the contract.

Service revenues derived from time and material contracts are recognized over the time on an output basis as labor hours are delivered or direct project expenses are incurred.

### Research and development

Research costs are expensed as incurred. Actually, the risks and uncertainties inherent in the software development process do not allow to demonstrate technological feasibility of a product before a prototype has been completed. The time between the setting up of the prototype and the commercial release of the software products is generally very short. As a consequence, costs incurred after technological feasibility is established are not material.

Research and development tax credits are recognized as a deduction to the income tax expense.

### Intangible assets, property and equipment

Intangible assets, property and equipment are recognized at cost, including ancillary expenses, when they are purchased, at their production cost when they are produced internally, and at their integration value.

Under the rule ANC n° 2015-06 dated November 23, 2015, technical deficits from mergers and goodwill have been allocated to their underlying assets and amortized if necessary since January 1, 2016 except for residual goodwill considered as permanent and not amortized. All these assets are subject to impairment tests every year.

The useful life of intangible assets, property and equipment is presented below:

<b>Amortization using the straight-line method</b>	<b>Amortization period</b>
<b>Intangible assets</b>	
Software	3 to 5 years
Technologies and customer assets	5 to 10 years
<b>Tangible assets</b>	
Computer equipment	3 to 5 years
Fixtures and fittings	Over the term of the lease
Office furniture	10 years

### Non-current Financial Assets

Investments in subsidiaries are recognized at cost without revaluation of the transaction currencies. Expenses directly related to the acquisition of equity securities are included in the acquisition cost of these securities. Loans and advances to subsidiaries are valued at their net realizable value.

At least once a year, the Company reviews the net realizable value of its investments and loans to subsidiaries. The net realizable value of securities takes into account the amount of shareholders' equity, long-term profitability and strategic factors based on assumptions and estimates which may have a significant impact. An impairment loss is recognized if the net realizable value is less than the carrying value for a long period of time.

### Marketable Securities

Marketable securities are initially recorded at cost and are depreciated, when applicable, by referring to their quoted price in an active market at year end.

### Operating receivables and payables

Trade receivables are reported at their net receivable value and trade payables are reported at their nominal value. For trade receivables, an allowance is recorded when the net realizable value is lower than the carrying value taking into account, in particular, aging and risk of non-collectability.

### Foreign currency transactions

Transactions in foreign currencies are recorded in euros in the income statement at the exchange rate of the last day of the previous month, except for significant transactions which are booked at the exchange rate of the transaction date. Receivables, payables and cash in foreign currencies are converted to euros in the balance sheet at the closing exchange rate or at the hedged rate when they are subject to exchange rate hedging. The conversion differences are recorded on the balance sheet in "Unrealized Exchange Losses/Gains". In the event of unrealized losses, a provision for contingencies (exchange loss) is recorded.



## Provisions for Contingencies and losses

Provisions for contingencies and losses are recognized when liabilities to cover are probable to generate outflows of resources resulting from a present obligation. These provisions are estimated to take into account the most probable hypothesis at the closing date.

## Derivatives

The Company may choose to manage exposure to foreign currency and interest rates with regards to revenue and cost generated by its ongoing and predictable activity. The Company may also mitigate a given foreign currency exposure linked to specific operations.

In order to hedge foreign currency exposure, the Company uses, as needed, foreign exchange contracts or financial instruments for which total maximum losses are known from the outset.

Hedging activities are generally carried out and managed by the Company for its own account and on behalf of its subsidiaries. In certain cases, however, the Company may authorize selected subsidiaries to enter into hedging instruments directly.

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

## Interest rate derivatives

Financial income and expense resulting from the use of derivatives are recorded in the income statement in the same manner as income and expense from the covered transactions when the derivatives are considered to be hedging transactions from an accounting perspective. If the instruments do not qualify as hedging, they are accounted for as follows:

- net unrealized losses are fully reserved;
- net gains are recognized in the income statement upon settlement.

## Exchange rate derivatives

Exchange rate derivatives contribute to the Company currency position. Unrealized losses on these derivatives are taken into account in determining the provision for unrealized exchange losses.

## Isolated open position

Any transaction that does not qualify as a hedge is classified in a category called "isolated open position". The accounting treatment is as follows:

- derivatives are recorded in the balance sheet at their fair value;
- a provision for unrealized losses derivatives is booked impacting the profit and loss account.

As a consequence, changes in the value of derivatives that do not qualify as hedge are recorded in adjustment accounts.

## Note 3 Operating Revenue

### Revenue Breakdown

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Licenses revenue	114.6	108.5
Subscription and Support revenue	486.2	460.9
Royalties	781.2	710.9
<b>TOTAL SOFTWARE REVENUE</b>	<b>1,382.0</b>	<b>1,280.3</b>
Services revenue	49.7	49.1
Other revenue	408.2	387.0
<b>TOTAL REVENUE</b>	<b>1,839.8</b>	<b>1,716.4</b>

The breakdown of software revenue by geographic area is as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Europe	739.9	694.6
Asia	403.1	374.5
Americas	239.0	211.2
<b>TOTAL SOFTWARE REVENUE</b>	<b>1,382.0</b>	<b>1,280.3</b>

## Other Revenue

Other revenue represents principally recharges of shared and central services which are performed to the benefit of the Company's subsidiaries and also, R&D revenue when the Company performs a subcontracting activity.

## Note 4 Personnel Costs

Personnel costs are comprised of the following:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Salaries and wages	377.6	355.3
Social contributions	194.2	167.3
<b>TOTAL PERSONNEL COSTS</b>	<b>571.8</b>	<b>522.6</b>

## Average Headcount by Category

Salaried employees by category	Year ended December 31,	
	2021	2020
Managers	3,674	3,559
Supervisors and technicians	118	124
Employees	19	23
<b>TOTAL AVERAGE HEADCOUNT</b> <i>(in full time equivalents)*</i>	<b>3,811</b>	<b>3,706</b>

\* Apprentices and professional training contractors excluded.

The Company headcount increased notably to serve the growth of the Group and the investments in R&D.

## Compensation of Executives

Total compensation granted by the Group to the executive officers is paid by Dassault Systèmes SE, a company incorporated under French law. In 2020 and 2021, this compensation is relative to Mr. Charles Edelstenne and Mr. Bernard Charlès. The total gross compensation is as follows:

<i>(in thousands of euros)</i>	Year ended December 31,	
	2021	2020
Salaries	4,042	3,929
Benefits in kind	18	18
Directors' fees*	101	83
<b>TOTAL COMPENSATION OF EXECUTIVES</b>	<b>4,160</b>	<b>4,029</b>

\* Directors' fees presented as compensation are based on payments realized in 2021. Directors' fees earned in 2021 represent €114,000 paid in 2022.

## Note 5 Financial Income and Expense, Net

Net financial income and expense is as follows:

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Dividends received	203.0	235.6
Interest income	5.9	5.8
Interest expense	(10.0)	(16.7)
<b>DIVIDEND &amp; INTEREST INCOME, NET</b>	<b>199.0</b>	<b>224.7</b>
Revenue from disposals of investment securities	4.2	4.6
Net foreign exchange income (expense), net other financial contingencies	11.5	12.5
Net reversal (additions) of provisions for impairment of investments	-	-
<b>FINANCIAL INCOME, NET</b>	<b>214.7</b>	<b>241.8</b>

## Note 6 Note 6 Exceptional Income/Loss

Exceptional loss for the year ended December 31, 2021 is €81.7 million compared to a loss of €67.0 million for the year ended December 31, 2020, impacted by a foreign exchange loss related to the restructuring of a subsidiary's equity interest in 2021.

Lastly, the expense of the shares granted to Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer, is recorded as an exceptional item (see Note 8 Performance Shares).

## Note 7 Income Tax

The Company is the head of a tax group, including 6 entities at the end of December 2021.

Under the tax integration agreement, it is agreed that the income tax of tax-integrated companies will be the same as it would have been if each subsidiary had not been a member

of it. As a stand-alone entity, the Company income tax would have amounted to €34.9 million in 2021.

The breakdown of income tax between current income and exceptional loss for the year ended December 31, 2021, is as follows:

<i>(in millions of euros)</i>	Income before tax	Tax (expense) credit	Income after income tax
Current income	612.5	(77.8)	534.8
Exceptional loss	(147.7)	44.2	(103.5)
<b>TOTAL</b>	<b>464.8</b>	<b>(33.6)</b>	<b>431.3</b>

The effective income tax rate for the year ended December 31, 2021 was 7.2% against 11.6% in 2020. This decrease is principally driven by a decrease of the corporate tax rate in addition to tax deductibility of pension expenses in 2021.

Furthermore, the effective income tax rate is favourably impacted by the weight of intragroup dividends which are partially taxed under the French tax specific regime to the limit of related expenses.

## Note 8 Performance Shares

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### New plans granted in 2021

#### Plans 2021-A and 2021-B

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2021, the Board of Directors decided, on June 29, 2021, to grant 741,569 performance shares (Plan 2021-A) (3,707,845 after the five-for-one share split on Dassault Systèmes' share) to some employees and executives of the Group, and 300,000 performance shares (Plan 2021-B) (1,500,000 after the five-for-one share split on Dassault Systèmes' share) 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 since several years.

The shares of these 2021-A and 2021-B plans shall be acquired subject to the end of a period of two years (tranche 1) and four years (tranche 2). 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 December 29, 2022 (tranche 1) and on June 29, 2024 (tranche 2).

#### Plans 2021-M1 and 2021-M2

The Board of Directors decided on June 29, 2021 to grant 175,371 performance shares (Plan 2021-M1) (876,855 after the five-for-one share split on Dassault Systèmes' share) to some employees and executives of the Group.

The Board of Directors also decided on September 22, 2021 to grant 16,982 performance shares (Plan 2021-M2) to some employees and executives of the Group.

The shares of these 2021-M1 and 2021-M2 plans shall be acquired at the end of a period of one year (tranche 1), two years (tranche 2), three years (tranche 3) and four years (tranche 4), from their grant date. They shall vest 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.

A summary of the Group's performance shares plans is as follows:

Plans	2017-A	2017-B	2018-A	2018-B	2019-A	2019-B	2019-A2
Date of General Meeting of Shareholders	09/04/ 2015	09/04/ 2015	09/04/ 2015	09/04/ 2015	09/04/ 2015	09/04/ 2015	05/22/ 2018
Date of grant by Board of Directors	05/23/ 2017	05/23/ 2017	05/22/ 2018	05/22/ 2018	09/25/ 2018	09/25/ 2018	07/01/ 2019
Total number of shares granted	801,700	300,000	815,730	300,000	496,700	300,000	307,615
Restated total number of shares granted <sup>(1)</sup>	4,008,500	1,500,000	4,078,650	1,500,000	2,483,500	1,500,000	1,538,075
Acquisition period (in years) <sup>(2)</sup>	Three	Three	Three	Three	Three years and eight months	Three years and eight months	Two years and eleven months
Performance conditions	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>
Performance conditions is reached at December 31, 2021	Yes	Yes	Yes	Yes	See Note <sup>(4)</sup>	See Note <sup>(4)</sup>	See Note <sup>(4)</sup>

Plans	2020-A	2020-B	2020-M	2021-A	2021-B	2021-M1	2021-M2
Date of General Meeting of Shareholders	05/22/ 2018	05/22/ 2018	05/22/ 2018	05/26/ 2021	05/26/ 2021	N/A	N/A
Date of grant by Board of Directors	05/26/ 2020	05/26/ 2020	05/26/ 2020	06/29/ 2021	06/29/ 2021	06/29/ 2021	09/22/ 2021
Total number of shares granted	804,966	300,000	56,721	741,569	300,000	175,371	16,982
Restated total number of shares granted <sup>(1)</sup>	4,024,830	1,500,000	283,605	3,707,845	1,500,000	876,855	16,982
Acquisition period (in years) <sup>(2)</sup>	Four	Four	Three	Two or four <sup>(5)</sup>	Two or four <sup>(5)</sup>	One, two, three or four <sup>(5)</sup>	One, two, three or four <sup>(5)</sup>
Performance conditions	See Note <sup>(3)</sup>	See Note <sup>(3)</sup>	See Note <sup>(7)</sup>	See Note <sup>(6)</sup>	See Note <sup>(6)</sup>	See Note <sup>(7)</sup>	See Note <sup>(7)</sup>
Performance conditions is reached at December 31, 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Restated to reflect the five-for-one share split effected on July 7, 2021 (see Note 1 Description of Business and Key Events of the Year).

(2) For 2020-M, 2021-M1 and 2021-M2 plans, subject to the condition that the beneficiary be an employee or a Director of the Group at the acquisition date. The presence period was two years for 2017-A, 2017-B, 2018-A and 2018-B plans. The presence period is two years and eight months for 2019-A and 2019-B plans, around one year and eleven months for 2019-A2 plan, three years for the 2020-A and 2020-B plans, and one year and a half and three years for the 2021-A and 2021-B plans (respectively for tranches 1 and 2).

(3) For the 2017, 2018, 2019, 2020, and 2021 plans (2020-M, 2021-M1 and 2021-M2 excluded): performance condition based on a targeted growth between the non-IFRS diluted earnings per share of the Group excluding foreign currency effects for the respective years 2019, 2020, 2021 and 2023, and the one achieved in the respective years 2016, 2017, 2018 and 2019 (non-vesting condition). Such growth must be at least equal to a threshold (expressed as a percentage) established by the Board of Directors granting the shares.

(4) Performance condition will be measured by the March 15, 2022 Board of Directors.

(5) Share acquisition divided into two tranches for 2021-A and 2021-B plans, the first having vested on June 29, 2023 and the second having vested on June 30, 2025. Share acquisition divided into four tranches for 2021-M1 (tranches respectively vested on June 29, 2022, June 29, 2023, July 1st 2024 and June 30, 2025) and 2021-M2 (tranches respectively vested on September 22, 2022, September 22, 2023, September 23, 2024 and September 22, 2025).

(6) For the 2021-A and 2021-B, 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 2022 (tranche 1) and the year 2024 (tranche 2), neutralized from currency effects, compared to that of the year 2020 (non-vesting condition).

(7) For the 2020-M, 2021-M1 and 2021-M2 plans, performance condition based on the growth of the non-IFRS revenue and of the non-IFRS operating margin of the MEDIDATA activity. For the 2020-M plan, this double condition, is based on targeted growths between the year 2022, excluding foreign currency effects, and the levels of satisfaction of the year 2019 (vesting condition). For the 2021-M1 and 2021-M2 plans, this double condition, is based on targeted growths between the year 2021, 2022, 2023 and 2024 (respectively for each tranche), excluding foreign currency effects, and the levels of satisfaction of the year 2020 (vesting condition).

Dassault Systèmes SE recorded as exceptional items an accrual for the total foreseeable costs relating to the rights to receive Dassault Systèmes SE shares since Group beneficiaries do not directly contribute to its activity, while an accrued income was

accounted for the same amount representing the recharge to subsidiaries due on maturity dates of the plans.

## Note 9 Research and Development Expense

In 2021, the Company recorded a total of €301.7 million of research and development expenses, representing 21.8% of software revenue. This amount reflects a full-cost basis

including IT and facility costs, as well as employee profit sharing, net of intercompany recharges and grants.

## Note 10 Intangible Assets

<i>(in millions of euros)</i>	Year ended December 31,			2021
	2020	Addition	Disposal	
Goodwill	434.8	27.1	-	461.8
Software, technology and other	173.8	8.9	(2.2)	180.5
<b>TOTAL GROSS VALUE</b>	<b>608.6</b>	<b>36.0</b>	<b>(2.2)</b>	<b>642.4</b>
Goodwill	(182.9)	(31.2)	-	(214.1)
Software, technology and other	(145.7)	(11.7)	1.4	(156.0)
<b>TOTAL AMORTIZATION AND PROVISIONS</b>	<b>(328.6)</b>	<b>(42.8)</b>	<b>1.4</b>	<b>(370.1)</b>
Goodwill	251.9	(4.1)	-	247.7
Software, technology and other	28.1	(2.8)	(0.8)	24.5
<b>TOTAL NET VALUE</b>	<b>280.0</b>	<b>(6.9)</b>	<b>(0.8)</b>	<b>272.2</b>

Residual goodwill considered as non-depreciable asset, amounts to €86.0 million net of provisions.

Increase of intangible assets was mainly driven by the mergers carried out in 2021 (see Note 1 Description of Business and Key Events of the Year).

## Note 11 Property and Equipment

<i>(in millions of euros)</i>	Year ended December 31,			2021
	2020	Addition	Disposal	
Machinery and equipment	127.5	17.3	(0.3)	144.5
Fixtures and fittings	43.3	1.7	(12.9)	32.1
Office furniture and equipment	11.5	0.6	(5.1)	7.0
<b>TOTAL GROSS VALUE</b>	<b>182.3</b>	<b>19.6</b>	<b>(18.4)</b>	<b>183.6</b>
Machinery and equipment	(96.3)	(18.3)	0.3	(114.3)
Fixtures and fittings	(23.8)	(1.6)	11.0	(14.4)
Office furniture and equipment	(7.6)	(0.7)	5.1	(3.2)
<b>TOTAL DEPRECIATION</b>	<b>(127.7)</b>	<b>(20.6)</b>	<b>16.4</b>	<b>(131.9)</b>
Machinery and equipment	31.2	(0.9)	(0.0)	30.2
Fixtures and fittings	19.5	0.1	(1.9)	17.7
Office furniture and equipment	3.9	(0.2)	(0.0)	3.8
<b>TOTAL NET VALUE</b>	<b>54.6</b>	<b>(1.0)</b>	<b>(2.0)</b>	<b>51.7</b>

The acquisitions are mainly related to hardware and IT servers.

## Note 12 Non-Current Financial Assets

<i>(in millions of euros)</i>	Year ended December 31,			2021
	2020	Addition	Disposal	
Investments in subsidiaries	6,923.8	65.2	(355.2)	6,633.9
Loans and advances to subsidiaries	316.0	87.1	-	403.1
Treasury Shares	9.7	244.3	(9.7)	244.3
Others	19.4	120.1	(113.9)	25.5
<b>TOTAL GROSS VALUE</b>	<b>7,268.9</b>	<b>516.7</b>	<b>(478.8)</b>	<b>7,306.8</b>
Provision for impairment	(52.8)	-	-	(52.8)
<b>TOTAL PROVISION FOR IMPAIRMENT</b>	<b>(52.8)</b>	<b>-</b>	<b>-</b>	<b>(52.8)</b>
Investments in subsidiaries	6,871.0	65.2	(355.2)	6,581.1
Loans and advances to subsidiaries	316.0	87.1	-	403.1
Treasury Shares	9.7	244.3	(9.7)	244.3
Others	19.4	120.1	(113.9)	25.5
<b>TOTAL NET VALUE</b>	<b>7,216.1</b>	<b>516.7</b>	<b>(478.8)</b>	<b>7,254.0</b>

The increase in investments in subsidiaries is mainly related to the recapitalization of Dassault Systèmes Deutschland GmbH and Dassault Systemes España S.L.U in addition to the acquisition of INTEROPSYSS SAS. The decrease is primarily driven by an equity transaction related to a subsidiary and merger impacts.

The increase in treasury shares is primarily related to stock repurchase program in relation to the employee shareholding plan "TOGETHER" (see Note 1 Description of Business and Key Events of the Year). These treasury shares will be cancelled in 2022.

The company signed with Crédit Agricole Corporate Investment Bank on October 29, 2021 a share repurchase agreement with deferred payment covering a period from November 5, 2021 to December 2, 2021. 4,395,772 shares were acquired at an average price of €54.28, i.e a total amount of €238.6 million. These shares, delivered in December 2021, were paid on January 20, 2022, the day of the capital increase related to the TOGETHER plan (see Note 19 Trade Payables and Note 23 Additional Information), and almost all of them are to be cancelled.

## Note 13 Receivables

### Accounts receivable

At December 31, 2021, net accounts receivable amounts to €504.9 million compared with €416.4 million at December 31, 2020. This difference is principally due to intercompany unbilled revenue relating to performance share plans that will

be delivered to employees of subsidiaries in the coming years (see Note 8 Performance Shares).

External unpaid issued invoices are split as follows:

<i>(in millions of euros)</i>	Year ended December 31, 2021					Total (1 day and over)
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	
(A) Overdue split						
Number of bills	9,475					3,246
Total amount of external invoices (VAT excluded)	117.1	3.8	1.5	0.5	2.3	8.1
Percentage of total external revenue (VAT excluded)	18.0%	0.6%	0.2%	0.1%	0.4%	1.2%
Total amount of trade receivables excluded from (A) and related to claims or not yet issued (VAT excluded)	17.1					

General payment terms applied by the Company to third parties are set out from 30 days end of the month to 60 days.

## Other receivable

Other receivable are as follows:

<i>(in millions of euros)</i>	Less than 1 year	More than 1 year	Year ended December 31,	
			2021	2020
<b>SUPPLIER ADVANCES AND DEPOSITS</b>	<b>4.2</b>	<b>1.5</b>	<b>5.7</b>	<b>4.2</b>
Current accounts with debit balances	4.7	-	4.7	4.6
Tax and social receivable	91.9	144.9 <sup>(1)</sup>	236.8	226.8
Other receivable	19.6	1.2	20.7	65.8
<b>TOTAL OTHER RECEIVABLE</b>	<b>116.2</b>	<b>146.0</b>	<b>262.3</b>	<b>297.2</b>

(1) See Note 22 Other Commitments and Contingencies.

The change in other receivable is principally explained by a refund of treasury advance paid in 2020 to a subsidiary while obtaining an administration ruling.

## Note 14 Treasury

### Marketable Securities

At December 31, 2021, marketable securities amount to €686.5 million compared with €684.3 million at December 31, 2020. They are primarily held in euro denominated monetary investments.

Cash and marketable securities decreased from €904.9 million at December 31, 2020 to €1,172.5 million at December 31, 2021.

### Treasury Shares

Share repurchases are analyzed below as at December 31, 2021:

	Number of shares authorized and issued	Average price <i>(in euros)</i>	Total <i>(in millions of euros)</i>
Treasury shares directly managed by the Company <sup>(1)</sup>	19,822,760	37.13	735.9
Treasury shares managed through liquidity agreement <sup>(2)</sup>	213,485	49.75	10.6
<b>TREASURY SHARES AS OF DECEMBER 31, 2021</b>	<b>20,036,245</b>	<b>37.26</b>	<b>746.6</b>

(1) The General Meeting of Shareholders of May 26, 2021 authorized the Board of Directors to implement a share repurchase program limited to 5,000,000 of Dassault Systèmes' shares (i.e. 25,000,000 shares after the split of the par value of the Dassault Systèmes' share by five on July 7, 2021). Under this authorization, the Company may not buy shares above a maximum annual aggregate amount of €800 million. The Company signed several share repurchase agreements with a bank during the year. One of them was signed on September 10, 2021, for a period covering from September 13, 2021 to October 28, 2021. 3,500,000 shares were acquired under this agreement, at an average price of €47.19. Another was signed on December 10, 2021, for a period covering from December 13, 2021 to February 3, 2022. 198,938 shares were acquired, at an average price of €51.54.

(2) The Company signed a liquidity agreement with broker Oddo BHF SCA, for an initial period until December 31, 2015, automatically renewable for subsequent 12-month terms. On December 31, 2021, 2,750,741 shares were purchased, at an average price of €41.41, and 2,847,696 shares were sold, at an average price of €42.18.



## Note 15 Shareholders' Equity

### Share Capital

Changes in share capital during the year ended December 31, 2021 are as follows:

	Number of shares authorized and issued	Par value (in euros)	Capital (in euros)
<b>SHARES AS OF JANUARY 1</b>	<b>265,136,237</b>	<b>0.50</b>	<b>132,568,118</b>
Shares issued pursuant to exercise of share subscription options	787,945	0.50	393,973
<b>SHARES AS OF JULY 6</b>	<b>265,924,182</b>	<b>0.50</b>	<b>132,962,091</b>
<b>SHARES AS OF JULY 7</b>	<b>1,329,620,910</b>	<b>0.10</b>	<b>132,962,091</b>
Shares issued pursuant to exercise of share subscription options	3,095,743	0.10	309,574
<b>SHARES AS OF DECEMBER 31</b>	<b>1,332,716,653</b>	<b>0.10</b>	<b>133,271,665</b>

### Shareholder base

On December 31, the share capital of the Company is held by:

(%)	2021	2020
Public	50.03	49.76
Groupe Industriel Marcel Dassault	40.18	40.39
Charles Edelstenne <sup>(1)</sup>	5.96	6.00
Bernard Charlès <sup>(2)</sup>	1.72	1.62
Treasury stock <sup>(3)</sup> and indirect treasury stock <sup>(4)</sup>	1.36	1.53
Directors and senior management <sup>(5)</sup>	0.75	0.70
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

On December 31, the voting rights in the Company are held by:

(in % of exercisable voting rights) <sup>(1)</sup>	2021	2020
Groupe Industriel Marcel Dassault	54.30	54.45
Public	34.58	34.55
Charles Edelstenne <sup>(1)</sup>	8.05	8.06
Bernard Charlès <sup>(2)</sup>	2.18	2.07
Directors and senior management <sup>(5)</sup>	0.89	0.87
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>

(1) Including shares held in two family trusts managed by Mr. Edelstenne.

At December 31, 2021, Mr. Edelstenne held 21,390,290 shares with all ownership rights and 16,910 shares through two family companies which he manages, representing a total of 1.61% of the capital and 2.13% of the exercisable voting rights, as well as 58,080,225 shares with "usage" rights (usufruit). For the usage rights with respect to these 58,080,225 shares, representing 5.89% of the exercisable voting rights, Mr. Edelstenne can only exercise the right to vote on decisions of the General Meeting concerning the allocation of profits; the holders of the bare property rights (nue-propriété) exercise the right to vote for other resolutions in compliance with Article 11 of the by-laws.

For details related to shares held by Mr. Edelstenne as of December 31, 2020 and December 31, 2019, see paragraph 6.3.1. of Universal registration documents for 2020 and 2019 respectively.

(2) For further information, see Table 5 of paragraph 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (mandataires sociaux)".

(3) Including 213,485 shares through the liquidity agreement as of December 31, 2021. As of December 31, 2020, such number was 310,440 shares.

(4) Shares held by SW Securities LLC. This company is a subsidiary of Dassault Systèmes SE, Dassault Systèmes' shares held by it do not have voting rights.

(5) Excluding Mr. Edelstenne and Mr. Charlès, "management" includes the officers listed in paragraph 5.1.2 "Executives of the Dassault Systèmes".

### Stock Option Plan

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 eight to ten years from grant date, or after termination

of employment or term of office, whichever is earlier (except for 2020-01 and 2021-01 plans), 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.

The Company issues new shares when options are granted.

### New plans granted in 2021

Pursuant to an authorization granted by the General Meeting of Shareholders held on May 26, 2020, the Board of Directors decided on June 29, 2021 to grant 451,451 options to subscribe to Dassault Systèmes SE shares (2,257,255 after the five-for-one share split on Dassault Systèmes' share) to certain employees and executives of the Group, at an exercise price of €206.60 (€41.32 after the five-for-one share split on Dassault Systèmes' share) (Plan 2021-01), equal to the closing value of the Dassault Systèmes SE share the day before the grant.

Such options are divided in four tranches. They shall vest if the beneficiary is an employee or an executive of the Group at

the end of a service period of, respectively, one year (tranche 1), one year and a half (tranche 2), two years and a half (tranche 3), and three years and a half (tranche 4), and subject to the achievement of certain performance conditions. The performance condition, for most of the beneficiaries, will be measured based on the growth of non-IFRS diluted EPS for the years 2021 (tranche 1), 2022 (tranche 2), 2023 (tranche 3) and 2024 (tranche 4), neutralized from currency effects, compared to that of the year 2020 (non-market vesting condition for the tranche 1 and non-vesting condition for the tranches 2, 3 and 4).

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

### Other information related to the stock options

A summary of the stock option activity as of December 31, 2021 is as follows:

	2021*		2020*	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>OUTSTANDING AS OF JANUARY 1,</b>	<b>32,956,640</b>	<b>€23.82</b>	<b>28,535,665</b>	<b>€20.46</b>
Granted	2,257,255	41.32	11,042,515	29.12
Exercised	(7,035,468)	21.99	(5,491,180)	16.61
Forfeited	(1,155,805)	29.14	(1,130,360)	25.59
<b>OUTSTANDING AS OF DECEMBER 31,</b>	<b>27,022,622</b>	<b>€25.54</b>	<b>32,956,640</b>	<b>€23.82</b>
Exercisable	15,633,647	€21.36	14,492,650	€18.82

\* Restated to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 1 Description of Business and Key Events of the Year).

A summary of the remaining contractual life and the exercise price of options outstanding as of December 31, 2021 is presented below:

Stock option plan	Number of options*	Remaining life (years)	Exercise price*
2014-01	60,500	0.40	€9.10
2015-01	1,217,432	3.68	€12.40
2016-01	1,770,508	4.40	€13.80
2017-01	2,918,594	5.39	€16.40
2018-01	4,498,277	6.39	€22.00
2019-01	5,407,938	7.50	€28.00
2020-01	6,466,013	8.40	€29.09
2020-M-01	38,885	8.19	€26.20
2020-M-02	2,244,715	8.40	€29.09
2020-M-03	144,550	8.73	€31.57
2020-M-04	42,545	8.93	€30.43
2021-01	2,212,665	9.50	€41.32
<b>OUTSTANDING AS OF DECEMBER 31,</b>	<b>27,022,622</b>	<b>7.16</b>	<b>€25.54</b>

\* Restated to reflect the five-for-one share split on Dassault Systèmes' share effected on July 7, 2021 (see Note 1 Description of Business and Key Events of the Year).

## Movements in Shareholders' Equity

Movements in shareholders' equity for the year ended December 31, 2021 are as follows:

<i>(in millions of euros)</i>	<b>2020</b>	<b>Appropriation of 2020 earnings</b>	<b>Effect of exercising options</b>	<b>Net income for 2021 fiscal year</b>	<b>2021</b>
Share Capital	132.6	-	0.7	-	133.3
Share and contribution premiums	1,225.6	-	154.0	-	1,379.6
Reserves	13.3	0.1	-	-	13.4
Retained earnings	2,467.0	265.8	5.2	-	2,738.0
Income for the fiscal year	412.9	(412.9)	-	431.3	431.3
Regulated provisions	3.0	-	(0.1)	-	2.9
<b>SHAREHOLDERS' EQUITY</b>	<b>4,254.4</b>	<b>(147.1)</b>	<b>159.8</b>	<b>431.3</b>	<b>4,698.4</b>

Movements in shareholder's equity result from the issuances of new shares from stock option plans and potential share capital decreases.

### Dividend rights

The May 2021 and May 2020 Shareholders' Meetings have decided to distribute dividends, fully in cash, for respectively €147.1 million and €182.5 million in 2021 and in 2020.

## Note 16 Provisions for Contingencies and Losses

Movements of provisions for contingencies and losses are as follows:

<i>(in millions of euros)</i>	<b>Year ended December 31,</b>				<b>2021</b>
	<b>2020</b>	<b>Addition</b>	<b>Utilization</b>	<b>Reversal of unused amounts</b>	
Provisions for performance shares*	482.8	425.1	(379.9)	-	527.9
Provisions for exchange losses	0.9	1.4	(0.9)	-	1.4
Provisions for post-employment benefits	37.4	6.3	(15.0)	-	28.6
Other provisions for contingencies and losses	30.4	11.8	(19.5)	(1.2)	21.5
Provisions for jubilee awards	5.1	0.5	(0.1)	-	5.5
<b>TOTAL PROVISIONS</b>	<b>556.6</b>	<b>445.0</b>	<b>(415.5)</b>	<b>(1.2)</b>	<b>584.9</b>

\* See Note 8 Performance Shares.

Change in other provisions for contingencies and losses is primarily related to net reversal provision of €12.7 million as part of the Company's voluntary early retirement agreement.

Changes in provisions for contingencies and losses impact captions of the income statement as follows:

<i>(in millions of euros)</i>	<b>Addition</b>	<b>Utilization</b>	<b>Reversal of unused amounts</b>
Operating income	288.3	(252.8)	(1.2)
Financial income and expense, net	0.3	(0.1)	-
Exceptional income/(loss)*	156.5	(162.6)	-
<b>TOTAL</b>	<b>445.0</b>	<b>(415.5)</b>	<b>(1.2)</b>

\* See Note 8 Performance Shares.

## Provisions for Post-employment Benefits

The Company commitment relating to post-employment benefits is evaluated and recognized using the prospective actuarial method based on right pro rata acquisition with the use of a corridor. In accordance with the method recommended by France's national accounting standards body, *Autorité des Normes Comptables*, (n° 2013-02 of November 7th, 2013 amended on November 5th, 2021), the Company modified the method to determine its commitments in 2021. This method takes into account rights acquired by employees on the date of their retirement, computed on the basis of the employees' seniority and annual salary at the time of retirement, recognized on a straightline basis, on period before the retirement age, and given maximum rights. These rights are acquired and paid to employees when they retire as a fixed amount.

Initial adoption of change in accounting regulation is recorded in retained earnings account for €7.4 million of euros.

The projected benefit obligation at December 31, 2021 is determined based on the following assumptions: retirement between 60 and 65 years of age, discount rate of 1.00%, average increase in salaries of 3.00% and a 3.00% expected return on funds. The Company has an insurance policy with a life insurance company intended to cover the retirement payment commitments. In respect of this policy, the funds amount to a total of €22.0 million at December 31, 2021. Actuarial impacts on the cost of past services are spread in operating income using the corridor method. They total €19.9 million to be expensed on 20.78 years representing the length of residual employee service.

## Note 17 Financial Liabilities

Financial liabilities are as follows:

<i>(in millions of euros)</i>	Less than 1 year	1 to 5 years	More than 5 years	Year ended December 31,	
				2021	2020
Bond	901.6	1,600.0	1,150.0	3,651.6	3,651.6
Bank loans and borrowings	0.4	232.4	-	232.8	545.2
Employee profit-sharing scheme	15.2	-	-	15.2	20.3
Other financial liabilities	-	7.7	-	7.7	7.7
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>917.1</b>	<b>1,840.1</b>	<b>1,150.0</b>	<b>3,907.2</b>	<b>4,224.8</b>

### Bond

On September 16, 2019, the Company issued a four-tranche fixed rate bond for a total of €3,650.0 million. This issuance was in relation to the financing of the acquisition of Medidata completed in October 2019.

The conditions of the bond issue are as follows:

Bond	Nominal amount <i>(in millions of euros)</i>	Maturity date	Coupon
2022	900.0	September 16, 2022	0.000%
2024	700.0	September 16, 2024	0.000%
2026	900.0	September 16, 2026	0.125%
2029	1,150.0	September 16, 2029	0.375%

The terms and conditions of this loan are detailed in the transaction note having obtained the AMF visa n° 19-434 dated September 12, 2019. As of December 31, 2021, €8.7 million bond issue premium was booked as an asset.

bearing interest rate at Euribor 3 months plus 0.50% per annum and another loan for USD 530.0 million bearing interest rate at Libor USD 3 months plus 0.60% per annum. Both loans have a 5-year term.

### Term loans

In connection with the acquisition of Medidata, the Company also subscribed in October 2019 a loan for €500.0 million

On July 2, 2021 the Company voluntarily redeemed early part of its term loans for €200.0 million and \$150.0 million (€200.0 million and \$230.0 million on October 28, 2020).

These financing contracts do not have commitments such as “covenant ratios” linked to the change in the Group’s rating. The Company’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 credit facilities; symmetrically, a higher rating would lead to a decrease in the applicable margins (with a floor).

Bond issuance costs are amortized over the underlying loan terms. The remaining deferred cost as of December 31, 2021 amount to €9.7 million.

### Line of credit

The Company obtained 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 Company exercised its option to extend its term for one year respectively, bringing the new termination date to October 2026. As of December 31, 2021, the line of credit was not drawn down.

## Note 18 Elements Concerning Related Companies

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
Loans receivable	403.1	316.0
Trade accounts receivable and related items	397.0	311.8
Current accounts receivable	4.7	4.6
Accounts payable and related items	57.1	49.3
Current accounts with credit balances	251.1	237.3
Finance income: dividends collected and net interest received	207.8	240.3

The increase in loans receivable is related to the financing of one subsidiary.

The increase in trade accounts receivable and related items was mainly coming from an amount to bill related to performance shares (see Note 13 Receivables).

## Note 19 Trade Payables

### Trade payables

At December 31, 2021, trade payables amount to €123.5 million compared with €103.9 million at December 31, 2020. External unpaid invoices are broken down as follows:

(in millions of euros)

Year ended December 31, 2021

(A) Overdue split	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
Number of invoices	1,257					48
Total amount of external invoices (VAT excluded)	24.1	(0.2)	0.0	0.1	0.1	(0.0)
Percentage of total external purchases (VAT excluded)	9.3%	-0.1%	0.0%	0.0%	0.0%	0.0%
Total amount of trade payables excluded from (A) related to invoices not yet recognized (VAT excluded)	32.6					

Reference payment terms applied by the Company with third parties are generally end of the month 45 days. More favorable terms for small vendors of the domestic market are applied since beginning of the health crisis.

Overdue invoices are mostly related to compliance issues and are monitored periodically for a prompt and amicable resolution.

### Other operating liabilities

Other operating liabilities are as follows:

(in millions of euros)	Less than 1 year	More than 1 year	Year ended December 31,	
			2021	2020
Tax and social liabilities <sup>(1)</sup>	198.8	7.4	206.3	172.4
Current accounts with credit balances*	251.1	-	251.1	237.3
Other liabilities <sup>(2)</sup>	253.9	2.0	255.9	63.0
<b>TOTAL OTHER LIABILITIES</b>	<b>703.8</b>	<b>9.4</b>	<b>713.3</b>	<b>472.7</b>

(1) Change in tax and social liabilities is related to business activity.

(2) The increase of other liabilities is mainly explained by liability related to stock repurchase program as part of the employee shareholding plan TOGETHER (see Note 1 Description of Business and Key Events of the Year and Note 12 Non-current Financial Assets).

## Note 20 Prepaid Expenses and Unearned Revenue

Prepaid expenses are mainly made of IT services paid in advance. Prepaid expenses amount to €94.3 million in 2021 from €75.7 million in 2020.

Unearned revenue is composed primarily of deferred software, subscription and support revenue relating to

periods subsequent to year end. Unearned revenue amounts to €107.7 million in 2021 compared to €76.4 million in 2020. Change is primarily related to significant commercial agreements signed at the end of 2021 and for which the revenue will be recognized subsequently.

## Note 21 Financial Commitments

### Financial Instruments

The fair value of instruments used to manage currency and interest rate exposure is as follows:

<i>(en millions d'euros)</i>	Year ended December 31,			
	2021		2020	
	Nominal amount	Fair value	Nominal amount	Fair value
Forward exchange contract JPY/EUR – sale <sup>(1)</sup>	101.3	(0.7)	63.8	4.7
Forward exchange contract CNY/EUR – sale <sup>(1)</sup>	82.4	(2.8)	3.1	-
Forward exchange contract GBP/EUR – sale <sup>(1)</sup>	46.5	(0.8)	22.5	0.7
Other instruments <sup>(2)</sup>	4.9	-	4.5	-

- (1) Instruments (hedge accounting) entered into by the Company to hedge the foreign currency exchange risk of forecasted royalty flows.  
(2) Mainly derivatives designated as isolated open position.

At the end of 2021, foreign exchange contracts mentioned above have maturity dates of less than two years.

The Company also hedges its foreign exchange risk by designating the term loan in U.S. dollar at variable rate, as a net investment hedge for the acquisition of Medidata in the United States. In 2019, the initial amount hedged was \$530.0 million. In 2021 and 2020, the Company voluntarily redeemed early part of its term loans for \$150.0 million and

\$230.0 million respectively, reducing the nominal value of this term loan to \$150.0 million (See Note 17 Financial Liabilities).

### Increases and Reductions in Future Income Tax Payable

Increases and reductions in future income tax payable are evaluated on the basis of the standard corporate tax rate, plus social security contribution on profits.

<i>(in millions of euros)</i>	Year ended December 31,	
	2021	2020
<b>Nature of temporary differences</b>		
<b>SHORT TERM (25.83% TAX RATE FOR 2021 AND 28.41% FOR 2020)</b>	<b>53.1</b>	<b>72.1</b>
Provision for employee profit-sharing	35.0	29.7
Depreciation of receivables	11.3	13.5
Other	6.8	28.9
<b>LONG TERM (25.83% TAX RATE FOR 2021 AND 2020)</b>	<b>50.1</b>	<b>64.0</b>
Provision for post-employment benefits	44.9	64.0
Other	5.2	-
<b>TOTAL TEMPORARY DIFFERENCES</b>	<b>103.2</b>	<b>136.1</b>
<b>Net reduction of the future corporate tax debt</b>		
25.83% short term tax rate for 2021 and 28.41% for 2020	13.7	20.5
25.83% long term tax rate for 2021 and 2020	12.9	16.5

## Note 22 Other Commitments and Contingencies

### Leases

Leases commitments for building locations with area exceeding 2,500 square meters are as follows:

<i>(in millions of euros)</i>	Year ended December 31, 2021			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Total leases commitments	83.9	205.5	129.2	418.7

In December 2019, the Company signed a new lease contract for a firm period of 10 years from the delivery of an additional building for its campus of Vélizy-Villacoublay of approximately 28,000 square meters of office space scheduled to take place during the second quarter of 2023. Minimum future lease payments until the end of the lease amount are including in figures above.

### Litigation and other proceedings

The Company is involved in litigation and other proceedings, such as civil, commercial and tax proceedings, incidental to normal operations.

The Company is subject to ongoing tax audits and tax reassessments in jurisdictions in which it has or had operations. Certain of these reassessments, in particular those related to acquisition financing, are being challenged by the Company which is strongly confident in the technical merits of its positions and will continue to defend them with the relevant tax authorities. In this context, the Company has made payments to the French tax authorities for a total amount of €144.9 million from 2014 to 2020, but has disputed them with the relevant authorities. In June 2019, following the decision of the Appeal Court during the second quarter of 2019, the Company lodged an Appeal in Cassation before the High Court (or Supreme Court) in relation to this dispute. The High Court has 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 has adopted a new argumentation, based on the scope of article 145 of the General Tax Code, to reject the

Company's position. The Company disagrees with the analysis of the Court of Appeal, and, therefore, lodged a new Appeal in Cassation before the High Court. The High Court accepted the lodging in December 2021.

It is not possible to determine with certainty the outcome of the dispute and notably the resulting expense for the Company, if any. The total amount paid to the tax authorities represents the current Company's maximum exposure. However, in the opinion of management, after consultation with its lawyers, the resolution of such litigation and proceedings should not have a material effect on the consolidated financial statements of the Company.

### Guarantee pledged

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

The Company provides guarantees in the framework of contracts between subsidiaries and third parties for a total amount of €21.8 million at December 31, 2021.

Moreover, the Company provides letters of intent for its subsidiaries Dassault Systemes UK Limited and Dassault Systèmes (Switzerland) SA for respectively a maximum amount of GBP 200,0 million and CHF 1,6 million. These letters of intent expire respectively on July 20, 2022 and December 31, 2025.



## Note 23 Additional Information

### Events after the reporting period

As part of the launch of the employee shareholding plan "TOGETHER" (see Note 1 Description of Business and Key Events of the Year), Dassault Systèmes SE has carried out a capital increase of 4.3 million shares on January 20, 2022 for a total of 198.6 million euros, share premium included.

The Company voluntarily redeemed early the remaining part of its term loans in connection with the acquisition of Medidata,

for €100.0 million on January 28, 2022 and \$150.0 million on February 28, 2022 (see Note 17 Financial liabilities).

### Identity of the Consolidating Company

Dassault Systèmes SE's business is included in the consolidated financial statements of Groupe Industriel Marcel Dassault SAS, whose registered office is located at 9, Rond-Point des Champs-Élysées – Marcel Dassault, 75008 Paris, France.

## Note 24 Information Relating to Subsidiaries and Shareholdings

As the Company publishes consolidated accounts, information relating to subsidiaries and shareholdings are presented in aggregated form.

<i>(in millions of euros)</i>	<b>Subsidiaries</b>		<b>Total</b>
	<b>French</b>	<b>Foreign</b>	
Gross book value of shares	303.9	6,330.0	6,633.9
Net book value of shares	303.9	6,277.2	6,581.1
Loans and advances	403.1	-	403.1
Guarantees provided*	-	702.9	702.9
Dividend rights received	-	203.0	203.0

\* See Note 22 Other Commitments and Contingencies.

## 4.2.2 Selected financial and other information for Dassault Systèmes SE over the last five years

	2017	2018	2019	2020	2021
<b>Share capital</b>					
Share Capital <i>(in millions of euros)</i>	130.5	131.4	132.0	132.6	133.3
Number of shares authorized and issued	260,932,531	262,732,941	264,038,001	265,136,237	1,332,716,653 <sup>(1)</sup>
<b>Statement of income data</b> <i>(in millions of euros)</i>					
Revenue	1,468.6	1,589.4	1,727.0	1,716.4	1,839.8
Result before income tax, profit sharing, amortization and provisions	567.3	598.8	789.4	674.3	790.8
Result before income tax, profit sharing, amortization and provisions and reversals of provisions	463.3	485.9	695.8	537.5	612.2
Income tax	70.0	49.8	40.6	54.0	33.6
Regulated employee profit-sharing	24.4	28.2	29.5	28.1	33.1
Optional employee profit-sharing	24.5	27.9	29.0	28.1	32.9
Net income	257.8	331.2	279.6	412.9	431.3
<b>Data per share</b> <sup>(1)</sup> <i>(in euros)</i>					
Result after income tax and profit sharing and before amortization and provisions	1.32	1.45	2.26	1.61	0.38
Basic net income per share	0.99	1.26	1.06	1.56	0.32
Dividend per share	0.58	0.65	0.70	0.56	0.17 <sup>(2)</sup>
<b>Personnel</b>					
Average headcount <sup>(3)</sup>	3,263	3,374	3,595	3,706	3,811
Personnel costs <i>(in millions of euros)</i>	288.9	345.4	354.3	355.3	377.6
Social security contributions <i>(in millions of euros)</i>	140.1	158.9	173.0	167.2	194.2

(1) After the five-for-one share split on Dassault Systèmes' share.

(2) To be proposed for approval at the General Meeting scheduled for May 19, 2022.

(3) Apprentices and professional training contractors are excluded.

## 4.2.3 Statutory Auditors' Report on the parent company financial statements

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*This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory auditors' report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders of Dassault Systèmes SE,

### Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying financial statements of Dassault Systèmes SE for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

#### Emphasis of matter

Without qualifying our opinion, we draw your attention to the change in accounting method in relation to calculating post-employment benefit obligations as described in Note 16 "Provisions for Contingencies and Losses" to the financial statements, which presents the impact of the first-time adoption of ANC regulation No. 2013-02 dated November 7, 2013, as amended on November 5, 2021.

### Justification of assessments – Key audit matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

## Recognition of revenue from complex contractual arrangements

### *Description of risk*

As described in the section entitled “Revenue” of Note 2 “Summary of Significant Accounting Policies” to the financial statements, the Company derives revenue from multiple sources, chief among them software licenses, subscriptions, support and services.

Where contractual arrangements include multiple elements sold as a single package, determining the date of recognition of the resulting revenue and how that revenue should be allocated between the various performance obligations can be difficult and can require a significant degree of judgment from management.

The revenue for each element of the complex contractual arrangements is allocated to each distinct performance obligation based on their stand-alone selling price. With respect to perpetual software licenses only sold bundled with one year of support, the stand-alone selling price is determined using the residual approach. Allocating revenue between the various performance obligations requires analyses by management and, potentially, adjustments, both of which can be complex.

In addition, when a software license sale is combined with a service deemed essential to the functionality of the software, the two performance obligations (software and service) are not distinct. Therefore, the license revenue is recognized as and when the service obligation is recognized. Determining whether or not a service is essential to the functionality of a product requires significant judgment from management, as does analyzing the potential future profits to be gained from the corresponding long-term contract.

Moreover, recognizing revenue from complex contractual arrangements typically requires an in-depth analysis of contractual terms and conditions, together with other relevant documentation shared with customers during negotiations, with a view to ascertaining the full scope and type of the elements the Company has committed to providing and thus recognizing the revenue for each element on the appropriate date and at the appropriate value.

For the above reasons, we deemed the recognition of revenue from complex contractual arrangements to be a key audit matter.

### *How our audit addressed this risk*

In the course of our audit, we gained an understanding of internal control systems relating to the recognition of revenue that were implemented by the Company and tested the controls deemed key relating to these systems that we considered to be the most relevant.

Throughout the year, we performed analyses on all complex contractual arrangements deemed material, as well as on a sample of randomly selected arrangements, with the aim of verifying that management’s judgments in terms of the allocation of revenue between each performance obligation were consistent with the Company’s accounting policies, and that revenue had been recognized for the correct amount and with respect to the appropriate reporting period. Our work consisted primarily in analyzing the contractual terms and conditions, re-calculating the stand-alone selling price of each element tested, analyzing the essentiality criteria for services associated with software sales and verifying the consistency of revenue recognition with the Company’s accounting policies and French accounting principles.

We also tested all significant manual accounting entries affecting revenue from complex contractual arrangements for consistency with the Company’s accounting policies.

Lastly, we examined the related disclosures provided in Note 2 “Summary of Significant Accounting Policies” and Note 3 “Operating Revenue” to the financial statements.

## Valuation of investments in subsidiaries and loans and advances to subsidiaries

### *Description of risk*

As described in Note 24 “Information Relating to Subsidiaries and Shareholdings” to the financial statements, investments in subsidiaries and loans and advances to subsidiaries amounted to €6,581.1 million and €403.1 million respectively at December 31, 2021, therefore representing some of the largest assets on the balance sheet. Investments in subsidiaries are carried at cost and may be impaired, as applicable, based on their values in use.

As indicated in the section entitled “Non-current Financial Assets” of Note 2 “Summary of Significant Accounting Policies” to the financial statements, the calculation of value in use takes into account the share of equity in the relevant subsidiaries at the reporting date, together with their long-term profitability and strategic factors. Estimating the net realizable value therefore requires management to exercise judgment, relying on forecasts to define the profitability outlook.

Accordingly, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving projections, we deemed the valuation of investments in subsidiaries and loans and advances to subsidiaries to be a key audit matter.

#### ***How our audit addressed this risk***

In order to assess the estimated values in use of investments in subsidiaries and loans and advances to subsidiaries, based on the information provided to us, our audit work consisted primarily in examining the estimated values in use determined by management in relation to the valuation method and underlying data:

- for valuations based on historical data, we ensured that the equity values used were consistent with the financial statements of the entities concerned;
- for valuations based on forecast data, we obtained management’s analyses on the profitability outlook and the strategic nature of these entities.

With the assistance of our valuation experts, we assessed the consistency of the assumptions used with the economic environment at the reporting date and at the date on which the financial statements were prepared.

Where the value in use was lower than the acquisition value of an investment, we assessed whether an appropriate impairment loss had been recorded and, where appropriate, whether a provision for contingencies had been recognized with respect to the subsidiary in question and to any loans or advances granted to that subsidiary.

Lastly, we analyzed the related disclosures provided in Note 2 “Summary of Significant Accounting Policies” and Note 24 “Information Relating to Subsidiaries and Shareholdings” to the financial statements.

## **Tax risks**

#### ***Description of risk***

The Company carries out its business activities in many countries and must therefore abide by multiple different laws and regulations. This is particularly the case for tax regulations, which can be a source of risk for the Group in terms of how they are applied and may lead to tax disputes.

The Company assesses its tax positions and their technical justifications at the end of each reporting period. Where a risk in terms of how the local tax rules should be applied is identified, the Company measures and records a provision for tax risk if an outflow of resources appears likely. Conversely, when it makes a payment further to a disputed tax reassessment and where it deems its position in that dispute to be technically justified, the Company simultaneously records a tax credit for the refund it will likely receive.

Some of the ongoing tax disputes concern tax reassessments relating to the financing of acquisitions. Accordingly, between 2014 and 2020, the Company made payments totaling €144.9 million to the French tax authorities further to adjustments of the tax bases for the relevant years audited, as described in Note 22 “Other Commitments and Contingencies” to the financial statements, and recorded a tax credit for the same amount, as indicated in Note 13 “Receivables” to the financial statements. In this case, there is a risk that the tax credit will not be recovered.

Given (i) the materiality of the ongoing tax disputes, and (ii) the complex technical analyses required for their assessment, we deemed the assessment of tax risks to be a key audit matter. These analyses are specific to each tax jurisdiction and require a significant degree of judgment from management. Moreover, they are ultimately subject to a final decision from the local tax authorities concerned.

#### ***How our audit addressed this risk***

With guidance from experts in international and French tax law, we analyzed the main grounds for reassessment cited by the local tax authorities against the Company, as well as the judgments made by management with respect to tax risks and disputes deemed significant. We also reconciled the assumptions and estimates used to recognize tax provisions with the Company’s accounting policies and French accounting principles.

For the most significant disputes for which a tax credit was recognized, in particular the reassessments relating to the above-mentioned acquisition financing matter, we also analyzed the technical opinions obtained by the Company from independent tax lawyers with a view to assessing the consistency thereof with the judgments made by management and the accounting treatments applied.

Lastly, we analyzed the related disclosures provided in Note 13 “Receivables” and Note 22 “Other Commitments and Contingencies” to the financial statements.

## Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

### **Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D. 441-6 of the French Commercial Code.

### **Report on corporate governance**

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L. 22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

### **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

### **Other verifications and information pursuant to legal and regulatory requirements**

#### *Presentation of the financial statements to be included in the annual financial report*

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

#### *Appointment of the Statutory Auditors*

We were appointed Statutory Auditors of Dassault Systèmes SE by the General Meeting of Shareholders held on June 8, 2005 for PricewaterhouseCoopers Audit and on May 27, 2010 for Ernst & Young et Autres.

At December 31, 2021, PricewaterhouseCoopers Audit and Ernst & Young et Autres were in the seventeenth and twelfth consecutive year of their engagement, respectively.

Previously, Ernst & Young Audit was the Statutory Auditor of Dassault Systèmes SE from 1998.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Responsibilities of the Statutory Auditors relating to the audit of the financial statements

### *Objective and audit approach*

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

***Report to the Audit Committee***

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2022

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Thierry Leroux

**Ernst & Young et Autres**

Nour-Eddine Zanouda



## 4.2.4 Statutory Auditors' Special Report on Related Party Agreements

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*This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In our capacity as Statutory Auditors of Dassault Systèmes SE, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

### Agreements submitted for the approval of the Annual General Meeting

We were not informed of any agreements authorized and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

### Agreements not authorized in advance

In accordance with Articles L. 225-42 and L. 823-12 of the French Commercial Code, we inform you that the following agreements were not authorized in advance by the Board of Directors.

We are required to report to shareholders on the circumstances in which the authorization procedure was not followed.

#### *With Thales SA*

##### *Creation of an economic interest group*

Dassault Systèmes SE participated in the creation of an economic interest group named "Software République" on January 27, 2022. The EIG was founded without share capital by various corporate partners including Thales SA. Dassault Systèmes SE's Chairman of the Board of Directors is a director of Thales SA. The EIG aims to set up an ecosystem to structure a new French technology sector for new mobilities.

The agreement was not submitted for prior approval by the Board of Directors as the Company considered the creation of this economic interest group to be carried out on an arm's length basis.

### Agreements already approved by the Annual General Meeting

#### Agreements approved in previous years that were implemented during the year

We were not informed of any agreements already approved by the Annual General Meeting in previous years, which were implemented during the year.

#### Agreements and commitments approved in previous years that were not implemented during the year

We were informed of the following agreements approved by the Annual General Meeting in previous years, which remained in force but were not implemented during the year.

***With the Company's Board members, in connection with the insurance policy "Civil liability of Directors and Corporate Officers" signed with the insurance company Allianz***

*Advance payment to Board members of any legal fees incurred in proceedings instituted against them in the exercise of their corporate office.*

At its meeting on July 24, 1996, the Board of Directors authorized the advance payment by the Company of any legal fees and financial consequences that the Board members could incur if their personal liability is sought, in the event that the insurance policy signed with Allianz does not cover these advances and financial consequences.

*Payment of legal fees of Board members for any proceedings instituted in the United States.*

At its meeting on September 23, 2003, the Board of Directors authorized the payment by the Company of any fees and travel expenses that the Board members of the Company and its subsidiaries have to pay to prepare their personal defense before a civil, criminal or administrative Court in the United States within the scope of an inquiry or investigations carried out against the Company.

Neuilly-sur-Seine and Paris-La Défense, March 16, 2022

The Statutory Auditors

French original signed by

**PricewaterhouseCoopers Audit**

Thierry Leroux

**Ernst & Young et Autres**

Nour-Eddine Zanouda

## 4.3 Legal and Arbitration Proceedings

In the ordinary course of business, Dassault Systèmes is involved from time to time in litigation, tax audits or regulatory inquiries. Dassault Systèmes is subject to ongoing tax audits and tax reassessments in jurisdictions in which it has or had operations. Certain reassessments have been contested and Dassault Systèmes is under discussion with the relevant tax authorities. To Dassault Systèmes' knowledge, there is no outstanding, suspended or pending government proceeding,

litigation or arbitration, which has had during the last twelve months preceding the publication of this Universal registration document, or is likely to have, a significant impact on Dassault Systèmes' financial position or results of operations.

# CORPORATE GOVERNANCE

# 5

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## 5.1 The Board's Corporate Governance Report

### Report of the Board of Directors to the Combined General Meeting of May 19, 2022

To the Shareholders of Dassault Systèmes,

The purpose of this report is to describe *inter alia* the composition and practices of the Board of Directors of Dassault Systèmes SE, the application thereto of the principle of balanced representation of men and women and the policy and details of the compensation of corporate officers.

This report was drawn up in accordance with the French Commercial Code and the regulations of the Financial Markets Authority (AMF), based on work carried out by the Finance, Legal and Internal Audit departments of Dassault Systèmes. It has been reviewed by the Audit Committee and approved by the Board of Directors on March 15, 2022.

Since its IPO in 1996, Dassault Systèmes complies with the best international standards of corporate governance. Dassault Systèmes currently adheres to most of the recommendations of the AFEP-MEDEF Code (available on the MEDEF website: [www.medef.com](http://www.medef.com)) and therefore summarizes in a table the reasons why it does not apply certain of these recommendations (see paragraph 5.1.6 "Application of the AFEP-MEDEF Code").

### Shareholder dialog

Dassault Systèmes is committed to meeting the expectations and concerns of its shareholders. Meetings were held in 2021 and 2022 between Dassault Systèmes investors and proxy advisors on one hand, and the Investor Relations Department of Dassault Systèmes, the General Secretary, and the Secretary of the Board on the other hand, to discuss issues of concern to shareholders, including governance and social, societal and environmental responsibility. Dassault Systèmes has taken into account the comments received by amending this Universal registration document, in particular the corporate governance report and the chapter covering social, societal and environmental responsibility. Dassault Systèmes has also modified the resolutions submitted to the General Meeting of Shareholders, for example by setting, within the resolution, performance share and share subscription option allocation conditions for executive officers and Dassault Systèmes employees, which were previously defined by the Board of Directors.

## 5.1.1 Composition and Practices of the Board of Directors

### 5.1.1.1 Composition of the Board of Directors

As of the date of this Universal registration document, the Board of Directors of Dassault Systèmes SE comprises 12 members whose term of office is four renewable years:

- Charles Edelstenne (Chairman);
- Bernard Charlès (Vice chairman);
- Pascal Daloz<sup>(1)</sup>;
- Xavier Cauchois;
- Catherine Dassault;
- Laurence Daires-Lescourret (lead independent director);
- Odile Desforges;
- Soumitra Dutta;
- Marie-Hélène Habert-Dassault;
- Toshiko Mori (lead director for sustainable development matters);
- Hervé Andorre (director representing employees)<sup>(2)</sup>;
- Tanneguy de Fromont de Bouaille (director representing employees)<sup>(2)</sup>.

In the composition of the Board of Directors, Dassault Systèmes seeks a balance between experienced and new directors, between independent and non-independent, between women and men, as well as a diversity of profiles, nationalities and qualifications. Dassault Systèmes monitors the evolution of the composition of the Board by making projections based on all of these criteria, which has resulted in greater diversity within the Board in recent years.

In terms of internationalization, the Board has two non-French directors (one Japanese and one Indian) who are also US residents, representing 17% of members.

The average age of the directors is 62.

#### A percentage of women above the 40% threshold required by the law

Dassault Systèmes SE is committed to ensuring a significant representation of women on the Board. With 50% women directors<sup>(3)</sup> since 2019, Dassault Systèmes SE is above the 40% threshold required by law. This percentage has been maintained since 2019.

#### Skills in line with Dassault Systèmes' strategy

The directors of Dassault Systèmes SE have a complementary set of skills and experience that line up with the Company's strategy, and enable it to respond to the challenges it faces. Among the five independent directors, three have industrial

expertise (the manufacturing industry, infrastructure & cities, and new technologies) and two have accounting and financial expertise. The non-independent directors provide the Board with extensive knowledge of the Company and its industry and businesses.

#### ESG at the highest level of Dassault Systèmes' corporate governance

As social, societal and environmental responsibility is the focus of Dassault Systèmes' strategy and its achievements, the governance system put in place aims to ensure that social and environmental issues are better taken into account within the Company and within the Board of Directors.

Ms. Toshiko Mori – architect and independent director – has been the lead director for sustainable development matters on the Board of Directors since the beginning of 2020.

See paragraph "Consideration by the Board of social and environmental issues" in 5.1.1.2 "Practices of the Board of Directors."

#### A percentage of independent directors greater than the recommendations of the AFEP-MEDEF Code

The proportion of independent directors within the Board of Directors of Dassault Systèmes SE is 50%<sup>(4)</sup>, above the ratio of one third recommended by the AFEP-MEDEF Code for controlled companies.

To assess such independence, Dassault Systèmes SE bases its decision on the definition of the AFEP-MEDEF Code, which has been incorporated into the rules of procedure of the Board of Directors, whereby a director is independent when he or she has no relationship whatsoever with Dassault Systèmes SE, the Company or its management, which might compromise his or her free judgment. At its meeting of March 15, 2022, the Board of Directors assessed, as it does every year, the independence of its members and concluded that five directors are independent: Ms. Desforges, Ms. Daires-Lescourret, Ms. Mori, Mr. Cauchois and Mr. Dutta. This decision by the Board is based on the answers from the directors to a dedicated questionnaire.

As none of the independent directors have a business relationship with Dassault Systèmes, the Board of Directors had to express an opinion, as at present, neither on the materiality of any such relationship nor on the criteria used to assess it.

(1) Following the resignation of Mr. Thibault de Tersant from his term of office as Director, on July 22, 2020, the Board of Directors decided to co-opt Mr. Pascal Daloz for the remainder of the term of office, i.e. until the General Meeting called to approve the financial statements for the year ended December 31, 2021. This appointment was ratified by the General Meeting of Shareholders on May 26, 2021.

(2) The two directors representing employees were appointed, in accordance with the Company's by-laws, by the two trade unions that obtained the highest number of votes in the first round of the elections for members of the Social and Economic Committee for Dassault Systèmes SE and its direct or indirect subsidiaries whose registered office is located on French territory.

(3) Excluding Directors representing employees, in accordance with the law and the AFEP-MEDEF Code.

(4) Excluding Directors representing employees, in accordance with the law and the AFEP-MEDEF Code.

## Appointment of a lead independent director

In the interest of the balance of power, the Board of Directors, during the meeting held on March 15, 2022, decided to appoint a lead director from among the independent directors (see paragraph 5.1.1.2 "Practices of the Board of Directors").

The table below presents the composition of the Board of Directors of Dassault Systèmes SE at the date of this Universal registration document.

## Composition of the Board of Directors of Dassault Systèmes SE\*

	PERSONAL INFORMATION			Number of shares <sup>(1)</sup>	EXPERIENCE Number of terms of office in listed companies <sup>(2)</sup>	POSITION ON THE BOARD			PARTICIPATION IN BOARD COMMITTEES	
	Age	Gender	Nationality			Independence	Initial date of appointment	Term expires		Length of service on the Board
<b>DIRECTORS EXECUTIVE OFFICERS (<i>dirigeants mandataires sociaux</i>)</b>										
Charles Edelstenne	84	H	France	79,487,425	3		04/08/1993	2022 <sup>(3)</sup>	29	
Bernard Charlès	64	H	France	22,952,205	0		04/08/1993	2022 <sup>(3)</sup>	29	
<b>DIRECTORS</b>										
Pascal Daloz	53	H	France	2,674,295	0		07/22/2020	2022 <sup>(3)</sup> ≤ 2 years		
Xavier Cauchois	64	H	France	1,500	1	X	05/22/2018	2022 <sup>(3)</sup>	4	X
Catherine Dassault	54	F	France	134,000	0		07/20/2016	2023	6	
Laurence Daures-Lescourret	48	F	France	1,505	1	X	05/26/2016	2024	6	X
Odile Desforges	72	F	France	1,500	1	X	05/30/2013	2025	9	X
Soumitra Dutta	58	H	India	250	0	X	05/23/2017	2025	5	X
Marie-Hélène Habert-Dassault	56	F	France	2,830	3		07/23/2014	2024	8	
Toshiko Mori	70	F	Japan	3,500	0	X	05/26/2011	2023	11	X
<b>DIRECTORS REPRESENTING EMPLOYEES</b>										
Hervé Andorre	56	H	France	42,235	0		05/26/2020	2024 ≤ 2 years		
Tanneguy de Fromont de Bouaille	67	H	France	66,535	0		06/24/2016	2024	6	

\* As of the date of this Universal registration document.

(1) The number of shares stated take into account the division by five, on July 7, 2021, of the nominal value of Dassault Systèmes' share price and the resulting multiplication by five of the number of shares.

(2) Number excluding the term of office held within Dassault Systèmes SE.

(3) Renewal proposed for approval at the General Meeting scheduled for May 19, 2022.

The roles and duties performed by the corporate officers of Dassault Systèmes SE are stated in the table below.

## Charles Edelstenne – Chairman of the Board of Directors

**Age:** 84

**Nationality:** French

**Professional address:**  
Groupe Industriel Marcel  
Dassault – 9 Rond-Point  
des Champs-Élysées – Marcel  
Dassault, 75008 Paris – France

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2021

**Date of first appointment:**  
04/08/1993

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:**  
79,487,425 (including a majority  
of beneficial ownership shares)

**Attendance rate at the 2021  
Board meetings:** 100%

### Biography

Charles Edelstenne is currently Chairman of the Board of Directors after having subsequently occupied the positions of Manager and then Chairman and Chief Executive Officer of Dassault Systèmes of which he is the founder.

He is also Chairman of Groupe Industriel Marcel Dassault (GIMD)<sup>(1)</sup>.

Charles Edelstenne is also Honorary Chairman and Director of Dassault Aviation after having occupied the positions of Vice-President responsible for economic and financial affairs (1986-2000), General Secretary (1975-1986) and Chairman and Chief Executive Officer (2000-2013).

He holds a chartered accountant qualification.

### Other offices and positions

**Within the Dassault Group, in France:** Chairman of GIMD; Honorary Chairman and Director of Dassault Aviation SA (listed company); Director of Thalès SA (listed company), Chairman of the Board and Chief Executive Officer of Dassault Médias SA; Chairman of Rond-Point Immobilier SAS; Chairman of Rond-Point Holding SASU; Manager of Rond-Point Investissements EURL; Manager of SCI Maison Rouge; Chief Executive Officer of Dassault Wine Estates SASU; Chairman and member of the Board of Directors of Groupe Figaro SAS; Chairman of Société du Figaro SAS

**Within the Dassault Group, outside France:** Director of Dassault Falcon Jet Corporation (United States); Chairman and member of the Board of Dassault Belgique Aviation SA

**Outside the Dassault Group:** Director of Carrefour SA (listed company); Honorary Chairman of Gifas<sup>(2)</sup>; Manager of the Arie, Arie 2, Nili and Nili 2 partnerships

### Other positions held, and expired, during the past five years

Director of SABCA (listed company) (Belgium) until 2020; Director of Banque Lepercq de Neuflyze & Co. Inc. (USA) until 2019; Chief Executive Officer and member of the Supervisory Board of GIMD until May 28, 2018; Director of Sogitec Industries SA until December 2019; Director of Dassault Médias SA and of Figaro Benchmark SASU until May 2018

(1) GIMD is the main shareholder of Dassault Systèmes SE (see paragraph 6.3.2 "Controlling Shareholder").

(2) Groupement des Industries Françaises Aéronautiques et Spatiales.

## Bernard Charlès – Vice chairman of the Board and Chief Executive Officer

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**Age:** 64

**Nationality:** French

**Professional address:**  
Dassault Systèmes –  
10 rue Marcel-Dassault,  
78140 Vélizy-Villacoublay – France

**Main position:**  
Vice chairman of the Board  
of Directors and Chief Executive  
Officer of Dassault Systèmes

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2021

**Date of first appointment:**  
04/08/1993

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:** 22,952,205

**Attendance rate at the 2021  
Board meetings:** 100%

### Biography

Bernard Charlès is Vice chairman of the Board of Directors (since 2016) and Chief Executive Officer of Dassault Systèmes (since 2002). Since 1995, Bernard Charlès has had executive functions which he shared with Charles Edelstenne. Prior to holding this position, Bernard Charlès served as Director of the New Technology, Research and Development and Strategy Department from 1986 to 1988 and as Director of Strategy, Research and Development from 1988 to 1995.

### Main other offices and positions

**Within the Dassault Systèmes Group, outside France:** Chairman of the Board of Directors of Dassault Systemes Corp., of Dassault Systemes SolidWorks Corporation and of Centric Software, Inc. (United States)

**Outside the Dassault Systèmes Group, in France:** None

### Other positions held, and expired, during the past five years

**Within the Dassault Systèmes Group, outside France:** Chairman of the Board of Directors of Dassault Systemes Simulia Corp., of Biovia Corp. and of IQMS (United States).

**Outside the Dassault Systèmes Group, in France:** Independent director of Sanofi until April 30, 2021

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## Pascal Daloz – Chief Operating Officer

**Age:** 53

**Nationality:** French

**Professional address:**  
Dassault Systèmes –  
10 rue Marcel-Dassault,  
78140 Vélizy-Villacoublay – France

**Main position:**  
Chief Operating Officer of  
Dassault Systèmes

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year ending  
December 31, 2021

**Date of provisional appointment  
by decision of the Board  
of Directors:** 07/22/2020

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:** 2,674,295

**Attendance rate at the 2021  
Board meetings:** 100%

### Biography

Pascal Daloz has been Chief Operating Officer and Chief Financial Officer since 2020. He joined Dassault Systèmes in 2001 as Vice-President R&D in charge of sales development and then he has been Vice-President, Strategy and Business Development (2003), Executive Vice-President, Strategy and Marketing (2007), Executive Vice-President, Corporate Strategy and Market Development (2010), Executive Vice-President, 3DS Global Brands and Corporate Development (2014), Chief Financial Officer and Corporate Strategy Officer (2018), and, then, Chief Operating Officer and Chief Financial Officer in 2020 and 2021.

From 1992 to 1997 he was a consultant for technology innovation management at Arthur D. Little, and then senior analyst for the technology sector at Crédit Suisse First Boston Technology Group until 2001.

### Main other offices and positions

**Within the Dassault Systèmes Group, in France:** Chairman of Outscale SAS and of Dassault Systèmes International SAS

**Within the Dassault Systèmes Group, outside France:** Chairman of the Board of Directors of Dassault Systemes Americas Corp., of Medidata Solutions Inc. and of Medidata Holdings, Inc. (United States)

**Outside the Dassault Systèmes Group:** Director of Fondation Mines-Télécom (France) and Fondation PSL (France), Honorary Co-Chairman of Alliance Industrie du Futur (France)

### Other positions held, and expired, during the past five years

**Within the Dassault Systèmes Group:** President of Netvibes SAS (France) and 3DVIA SAS (France); Chairman of the Board of Directors of Netvibes Inc. and Dassault Systemes 3DExcite Corp. (United States), Director of Dassault Systemes SolidWorks Corporation, Dassault Systemes Simulia Corp., Biovia Corp. and IQMS (United States), Chief Executive Officer of Dassault Systemes 3DExcite GmbH (Germany) and Quintiq Holding B.V. (the Netherlands).

**Outside the Dassault Systèmes Group:** Director of Institut d'Etudes Avancées de Nantes (France) until April 2021

## Xavier Cauchois – Independent Director

---

**Age:** 64

*Member of the Audit Committee since May 22, 2018*

**Nationality:** French

*Chairman of the Audit Committee since May 23, 2019*

**Professional address:**

Dassault Systèmes –  
10, rue Marcel Dassault,  
78140 Vélizy-Villacoublay – France

**Biography**

Xavier Cauchois has more than 30 years of experience in auditing and consulting, as a partner of PwC France in the Paris office. He had several management positions within PwC France and at the European level. He notably accompanied its clients in the technology, telecoms, medias sectors, as well as in the health sector and more generally in the industry.

**Main position:**

Director

**Term expires:**

General Meeting called to approve the financial statements for the year ending December 31, 2021

He was head of PwC Europe and France in the Technology sector until 2009 and also a member of the Global Strategic Committee for the Audit from 2005 to 2008.

He was a member of the France Executive Committee in charge of “Partners & Strategy” from 2013 to 2016.

**Date of first appointment:**

05/22/2018

**Other offices and positions**

Independent Director of Technicolor SA (listed company)

**Number of Dassault Systèmes shares owned at**

**December 31, 2021:** 1,500

**Other positions held, and expired, during the past five years**

**Attendance rate at the 2021**

**Board meetings:** 100%

Manager of PwC Business Services; Director of GIE PricewaterhouseCoopers; Partner at PwC Audit

**Attendance rate at the 2021**

**Audit Committee meetings:**

100%

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## Catherine Dassault – Director

---

**Age:** 54

**Nationality:** French

**Professional address:**  
Groupe Industriel Marcel  
Dassault – 9 Rond-Point  
des Champs-Élysées – Marcel  
Dassault, 75008 Paris – France

**Main position:**

Active member of associations recognized to be of public interest; Lead Director of development of the Institut de l'Engagement

**Term expires:**

General Meeting called to approve the financial statements for the year ending December 31, 2022

**Date of first appointment:**

07/20/2016

**Number of Dassault Systèmes shares owned at**

**December 31, 2021:** 134,000

**Attendance rate at the 2021**

**Board meetings:** 100%

---

### Biography

Catherine Dassault is a lead director of development at the Institut de l'Engagement, which helps young volunteers enrolled in France's Civic Service scheme to pursue their studies, find a job or set up their own business. Before devoting her time to helping develop and fund medical research and education, Catherine Dassault studied law and psychology and worked in the advertising and communications industry.

### Other offices and positions

Director of Fondation AP-HP, Manager of Green Spark Invest SARL and of TCBD & Fils (partnership), Chair of the Fonds de dotation Citadelle (since September 2020)

### Other positions held, and expired, during the past five years

Director of Dassault Aviation SA (listed company) (until April 2021)

## Laurence Daures-Lescourret – Lead independent director

---

**Age:** 48

*Member of the Audit Committee*

Nationality: French

*Member and Chair of the Compensation and Nomination Committee*

**Professional address:**

ESSEC Business School –  
3 Avenue Bernard Hirsch –  
95021 Cergy-Pontoise – France

**Biography**

Laurence Daures-Lescourret has been an associate professor in the Finance Department of the ESSEC Business School since 2010 and a researcher affiliated with the Centre de Recherche en Économie et Statistique (CREST).

**Main position:**

Associate professor  
in the Finance department –  
ESSEC Business School

She holds a PhD in finance from HEC Paris (2003), a Master's in management from EDHEC, a Master "104 Finance" from Paris Dauphine University, and a Master's in political economy analysis from the École d'Économie de Paris.

**Term expires:**

General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2023

Between 2004 and 2011, she was first an assistant professor, co-Director and ultimately Director of the ESSEC Finance department. She also taught at ENSAE between 2000 and 2010.

**Date of first appointment:**

05/26/2016

As an academic researcher, she is the author of several publications on organizing and regulating capital markets and has received distinction for her work. She was the 2013 recipient of the Vega Prize from the Federation of European Securities Exchanges and received the 2015 award for best research Article on derivative products granted by the IFSID (Montreal Institute of Structured Finance and Derivatives).

**Number of Dassault Systèmes  
shares owned at**

**December 31, 2021:** 1,505

**Other offices and positions**

Independent Director of LCL – Le Crédit Lyonnais SA (listed company)

**Attendance rate at the 2021**

**Board meetings:** 100%

**Attendance rate at the 2021**

**Audit Committee meetings:**

100%

**Other positions held, and expired, during the past five years**

None

**Attendance rate at the 2021**

**Compensation and Nomination**

**Committee meetings:** 100%

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## Odile Desforges – Independent director

**Age:** 72

*Member of the Audit Committee*

**Nationality:** French

**Professional address:**

Dassault Systèmes –  
10, rue Marcel Dassault,  
78140 Vélizy-Villacoublay – France

**Main position:**

Director

**Term expires:**

General Meeting called to  
approve the financial statements  
for the year  
ending December 31, 2024

**Date of first appointment:**

05/30/2013

**Number of Dassault Systèmes  
shares owned at**

**December 31, 2021:** 1,500

**Attendance rate at the 2021**

**Board meetings:** 100%

**Attendance rate at the 2021**

**Audit Committee meetings:**

100%

### Biography

Odile Desforges graduated from the École Centrale Paris in 1973. She began her career at the Transport Research Institute, before joining Renault in 1981 as Planner and then Product Engineer. In 1986, she joined the Purchasing Department as manager for external equipment. She then became Body Equipment Purchasing General Manager for Renault/Volvo Purchasing Organization, then for Renault. In 1999, she became Executive Vice-President of Renault-VI Mack Group, before becoming President of Volvo Group's 3P Business Unit in 2001.

In 2003, she was appointed Senior Vice-President, Purchasing, and Chairwoman and Managing Director of Renault Nissan Purchasing Organization (RNPO). Between March 1, 2009 and July 1, 2012, she was Executive Vice-President, Engineering and Quality, and a member of the Group Executive Committee.

### Other offices and positions

Independent Director of Faurecia (listed company)

### Other positions held, and expired, during the past five years

Director of Safran (listed company) (until May 2021), of Imerys (until May 2020), of RNBV, of RNTBCI, of Renault Espana SA, of Sequana and of Johnson Matthey Plc (United Kingdom)

## Soumitra Dutta – Independent Director

---

**Age:** 58

*Member of the Compensation and Nomination Committee*

**Nationality:** Indian

*Member and Chairman of the Scientific Committee*

**Professional address:**

College of Business –  
Cornell University – Ithaca,  
New York (United States)

**Main position:**

Former Dean and Professor  
of Operations, Information and  
Technologies Management of the  
SC Johnson College of Business  
at the University of Cornell

**Term expires:**

General Meeting called  
to approve the financial  
statements for the year ending  
December 31, 2024

**Date of first appointment:**

05/23/2017

**Number of Dassault Systèmes  
shares owned at**

**December 31, 2021:** 250

**Attendance rate at the 2021**

**Board meetings:** 100%

**Attendance rate at the 2021**

**Scientific Committee meetings:**  
100%

**Attendance rate at the 2021**

**Compensation and Nomination  
Committee meetings:** 100%

### Biography

Soumitra Dutta began his career in 1985 as a research assistant at University of California, Berkeley, USA. Between 1988 and 1990, he gained further research experience at General Electric. He then joined Insead, the international management school based in Fontainebleau (France), where he served as lecturer then Dean of Technology and E-learning. In 1999, he set up eLab@Insead, the school's research and analytics center focused on big data analytics for businesses, which he headed until 2012. In 2002, he was named Dean of Executive Education at Insead. During his tenure at Insead, Soumitra Dutta also participated in setting up and managing three strategy consultancies specialized in new technologies and innovation, which he developed before selling them. In 2012, he was appointed Dean of the Samuel Curtis Johnson Graduate School of Management at Cornell University in New York and in 2016 became the founding Dean of the Cornell College of Business, comprising Cornell's three accredited business programs: the School of Hotel Administration, the Charles H. Dyson School of Applied Economics and Management and the Samuel Curtis Johnson Graduate School of Management. In January 2022, he was appointed Dean of the Saïd Business School at the University of Oxford, effective as of June 1, 2022.

### Other offices and positions

Chairman of the Board of Directors of The Global Business Schools Network (GBSN), (United States); Member of the Board of Shareholders of ZS Associates (United States)

### Other positions held, and expired, during the past five years

Director of Sodexo (listed company) (until January 2021) and Chairman of the Board of Directors of The Association to Advance Collegiate Schools of Business (AACSB)

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## Marie-Hélène Habert-Dassault – Director

**Age:** 56

**Nationality:** French

**Professional address:**  
Groupe Industriel Marcel  
Dassault – 9 Rond-Point des  
Champs-Élysées – Marcel  
Dassault, 75008 Paris – France

**Main position:**  
Director of Communication  
and Patronage, GIMD

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2023

**Date of first appointment:**  
07/23/2014

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:** 2,830\*

**Attendance rate at the 2021  
Board meetings:** 89%

### Biography

Marie-Hélène Habert-Dassault has been Director of Communication and Patronage of the Groupe Industriel Marcel Dassault (GIMD) since 1998. She joined the GIMD in 1991 as Deputy Director of Communication after having started her career at DDB Publicité in London as a media planning consultant. She holds a Master's degree in Business Law and Taxation, a business law practitioner diploma (Assas, 1988) and a Master's in Strategy and Marketing (Sciences Po, 1989).

### Other offices and positions

**Within the Dassault Group:** Chair of the Supervisory Board of GIMD; Vice-Chair of the Supervisory Board of Immobilière Dassault SA (listed company); Member of the Supervisory Board of Rond-Point Immobilier SAS; Member of the Board of Directors of Dassault Aviation SA (listed company); Director and Chairwoman of the Serge Dassault Foundation; Director of Artcurial SA

**Outside the Dassault Group:** Director of Biomérieux (listed company); Member of the Strategy Committee and President of HDF; General Manager of H Investissements; General Manager of HDH Immo; Director of Siparex Associés; Manager of SCI Duquesne; Director of Fondation Fondamental

### Other positions held, and expired, during the past five years

Member of the Supervisory Board of GIMD; Chair of the Supervisory Board of Rond-Point Immobilier SAS; Manager of HDH

\* Marie-Hélène Habert-Dassault is also a shareholder of GIMD.

## Toshiko Mori – Independent director and Lead director of sustainable development

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**Age:** 70

*Member of the Scientific Committee*

**Nationality:** Japanese

**Professional address:**

Toshiko Mori Architect,  
199 Lafayette Street, Suite 5A,  
New York, NY 10012 – USA

**Main position:**

Founder of Toshiko Mori  
Architect PLLC

**Term expires:**

General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2022

**Date of first appointment:**

05/26/2011

**Number of Dassault Systèmes  
shares owned at**

**December 31, 2021:** 3,500

**Attendance rate at the 2021**

**Board meetings:** 100%

**Attendance rate at the 2021**

**Scientific Committee meetings:**  
100%

### Biography

Toshiko Mori, FAIA, is the Robert P. Hubbard Professor in the Practice of Architecture at Harvard University's Graduate School of Design and was the Chairman of the Department of Architecture from 2002 to 2008. She is principal of Toshiko Mori Architect PLLC, and founder of VisionArc, a think-tank promoting global dialog for a sustainable future. She has been honored with numerous awards, most recently the Isamu Noguchi prize in 2021, the Louis Auchincloss Prize in 2020, *the Architectural Record's Women in Design Leader Award in 2019*, *the OMI Arts Leadership Award in 2019*, and *the AIA/ASCA Topaz Medallion for Excellence in Architectural Education in 2019*. *Nikkei Business* listed Mori as one of 50 Japanese People Changing the World; *Newsweek Japan* listed her as one of 100 Japanese People the World Respects; and *Forbes Japan* featured her as one of 100 Self-Made Women. *Architectural Digest* has included Toshiko Mori Architect in their annual AD100 list since 2014.

Lastly, she is a partner of Paracoustica, a non-profit organization which brings music to underserved communities. In 2020, she published two new monographs, one with A+U magazine for their February 2020 issue and another with ArchiTangle Berlin titled "Toshiko Mori Architect Observations".

### Other offices and positions

**Outside France:** Member of the Advisory Committee of A+U Magazine; Member of the G1 Summit (Japan); Advisor to the Isamu Noguchi Museum; Director of James Carpenter Design Associates Inc. (United States)

### Other positions held, and expired, during the past five years

President of World Economic Forum Global Agenda Council on Design; Member of World Economic Forum Global Future Council on Future of Cities and Urbanism; Member of the World Economic Forum Global Agenda Council on Design & Innovation; Member of the Alvar Aalto Medal 2017 jury

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## Hervé Andorre – Director representing employees

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**Age:** 56

**Nationality:** French

**Professional address:**  
Dassault Systèmes –  
10, rue Marcel Dassault,  
78140 Vélizy-Villacoublay – France

**Main position:**  
Vice-President, Culture &  
Leadership, 3DS University

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2023

**Date of first appointment:**  
05/26/2020

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:** 42,235

**Attendance rate at the 2021  
Board meetings:** 100%

### Biography

Hervé Andorre is a director representing employees, appointed to this position by the "Ensemble à DS" union. He has been Vice-President, Culture & Management of Dassault Systèmes since 2015. Since 2003, he was Human Resources Development Director for Dassault Systèmes. He was Head of Human Resources for the R&D and CATIA organizations between 2003 and 2008. He joined Dassault Systèmes in 1998 to create the Human Resources Development function within the Company. Previously, he held the positions of engineer and later of human resources manager at IBM France.

### Other offices and positions

None

### Other positions held, and expired, during the past five years

None

## Tanneguy de Fromont de Bouaille – Director representing employees

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**Age:** 67

**Nationality:** French

**Professional address:**  
Dassault Systèmes –  
10, rue Marcel Dassault,  
78140 Vélizy-Villacoublay – France

**Main position:**  
Senior Director, Corporate Affairs  
of Dassault Systèmes

**Term expires:**  
General Meeting called  
to approve the financial  
statements for the year  
ending December 31, 2023

**Date of first appointment:**  
06/24/2016

**Number of Dassault Systèmes  
shares owned at  
December 31, 2021:** 66,535

**Attendance rate at the 2021  
Board meetings:** 100%

### Biography

Tanneguy de Fromont de Bouaille is the director representing employees appointed by the CFE-CGC. He has been recruited by Dassault Systèmes in 1992 and currently serves as Senior Director, Corporate Affairs after having been employed as General Manager of Dassault Data Services (between 1992 and 2004), Europe Sales Administration Director for ENOVIA (between 2004 and 2012) and Consumer Goods and Retail Industry Sales Director of Dassault Systèmes (between 2012 and 2019). He previously held technical functions and then commercial agency management functions with Cap Gemini France and Cap Gemini America. Tanneguy de Fromont de Bouaille graduated from École Centrale Lyon and Massachusetts Institute of Technology.

### Other offices and positions

None

### Other positions held, and expired, during the past five years

None

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### 5.1.1.2 Practices of the Board of Directors

#### Separation of the roles of Chairman and Chief Executive Officer

Since 2002, Dassault Systèmes has separated the roles of Chairman of the Board and Chief Executive Officer. In addition to the balance of powers that this offers, it enables the Chairman and the Chief Executive Officer to concentrate on their specific remits (described below) within an experienced and harmonious management team (Mr. Charles Edelstenne previously held both roles as Chairman and Chief Executive Officer of Dassault Systèmes SE).

Mr. Charles Edelstenne, Chairman of the Board, organizes and supervises the work of the Board and reports thereon at the General Meeting of Shareholders. He oversees the smooth running of the corporate bodies of Dassault Systèmes SE and compliance with best governance practices, and ensures that the directors are able to fulfill their duties.

Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, keeps him regularly informed of significant matters concerning Dassault Systèmes and in particular its strategy, organization and investment projects. Mr. Charles Edelstenne also oversees maintaining quality relations with shareholders in close coordination with measures taken in this area by Mr. Bernard Charlès. To report on this mission, an overview of the change in shareholding in the Company and shareholder dialog is presented and discussed each year during the Board meetings. All of these tasks of the Chairman of the Board are directed toward serving Dassault Systèmes and his actions are taken into account in reviewing and determining his compensation.

The Chief Executive Officer is vested by law with the most comprehensive powers to represent Dassault Systèmes SE, subject to the limitations of powers indicated in paragraph 5.1.1.4 "Powers of the Chief Executive Officer" below. He represents Dassault Systèmes SE in its dealings with third parties.

The Board of Directors has set up a number of special committees to help it perform its tasks: the Audit Committee (established in 1996), the Compensation and Nomination Committee and the Scientific Committee (established in 2005). The Committees report regularly to the Board as to the performance of their missions. The composition of these Committees and their practices are described in paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees."

#### Measures taken to ensure the balance of power within the Board of Directors

Since Dassault Systèmes is committed to ensuring a balance of power within the Board of Directors, several measures have been taken in this regard:

- the Board of Directors, during the meeting held on March 15, 2022, decided to appoint Ms. Laurence Daures-

Lescourret as lead independent director from among the independent directors. She is responsible for the prevention and management of conflicts of interest within the Board of Directors, for making recommendations concerning its functioning and for overseeing its formal evaluation. In addition, she may request an ad hoc meeting of the independent directors when a key strategic decision is submitted to the Board (for an exhaustive list of her duties, see the paragraph "Main provisions of the Board's internal regulation" below).

- 50% of the members of the Board of Directors are independent directors (excluding directors representing employees – see paragraph 5.1.1.1 "Composition of the Board of Directors");
- all members of all Board committees are independent directors (see paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees");
- independent directors meet, each year, without the presence of executive officers and other directors, to hold a general discussion on the functioning of the Board of Directors and debate specific subjects (for details regarding the independent directors' session held in 2021, see the paragraph "Meeting of independent directors (annual executive session)" below);
- the Board of Directors must authorize all acquisitions or disposals of an entity, shareholding or asset (excluding internal transactions) and any use of external funding if the amount of the transaction exceeds €500 million (see paragraph 5.1.1.4 "Powers of the Chief Executive Officer");
- within the scope of its duties, the Compensation and Nomination Committee reviews the succession plan for Mr. Bernard Charlès in his role as Chief Executive Officer and all members of the Executive team each year.

#### Main provisions of the Board's internal regulation

The Board of Directors has established an internal regulation, which was amended on December 16, 2021 to notably provide for the appointment of a lead independent director as of March 2022 and stipulate his or her role, which is summarized below:

- chair the annual meeting of independent directors and report back to the Board of Directors;
- call for an *ad hoc* meeting of independent directors when a key strategic decision is submitted to the Board (acquisition of a company of a significant size, etc.);
- submit recommendations regarding the practices of the Board to the Chairman and the Secretary of the Board of Directors;
- oversee the formal review of the Board of Directors carried out by the Secretary of the Board;
- prevent and manage situations, or potential situations, of conflict of interest, brought to his or her attention, and inform the Board of Directors.

To fulfill his or her remit, the lead independent director:

- shall have access to any documents or information that he or she judges necessary, in particular the work carried out by the committees;
- may request assistance from the Secretary of the Board of Directors.

The lead independent director must report annually to the Board of Directors.

The Board of Directors has also stated the minimum number of shares that must be held by directors (excluding directors representing employees) for the duration of their terms of office and at the latest two years after their appointment. This number is 500 shares with a minimum of 250 shares during the first year in office.

The internal regulation set out the requirement to consider social and environmental issues in the definition and implementation of Dassault Systèmes' strategic directions.

It stipulates the frequency of Board meetings and how Board members may participate in them. It also provides rules on the information and disclosure provided to the Board members on a regular basis (e.g. information on off-balance sheet commitments and the cash position) and in case of events which may have a material impact on Dassault Systèmes' prospects, outlook or on the implementation of Dassault Systèmes' strategy.

The internal regulation requires that, each year:

- the Board reviews the independence of the directors;
- the independent directors meet without the executive officers and other directors to hold a general discussion regarding the functioning of the Board of Directors and debate specific subjects; and
- the Board discusses its functioning. Every three years, the Board conducts a formal review.

In terms of confidentiality obligations, the Board regulation stipulates that the directors, or any persons attending meetings of the Board or one of its Committees, must keep confidential all information obtained in connection with the fulfillment of their duties.

In terms of preventing and managing conflicts of interest, all directors are required to notify the Board of any actual or potential conflicts of interest with Dassault Systèmes and, in such circumstances, to abstain from the discussion and from the vote taken on such matters. Specifically, the involvement of a director in a transaction in which Dassault Systèmes has a direct interest, or which has come to their attention in their capacity as director, must be notified to the Board prior to its conclusion.

In addition, directors are not permitted to use their title or position to obtain benefits of any kind, for themselves or third parties.

In terms of the number of positions held in other companies, each director is required to inform the Board of any other position held in another French or foreign company, including in their Committees. Moreover, the executive officers must

first obtain the approval from the Board prior to accepting a new term of office in a listed company.

Lastly, the regulation requires directors to comply with the rules set up regarding the prevention of insider trading.

The Audit Committee has its own charter.

### The Board of Directors' activities in 2021

The Board of Directors met nine times in 2021, with an attendance rate of 99%.

In addition to the deliberations on its agenda pursuant to the law (including notice of the General Meeting of Shareholders and the drafting of the Universal registration document 2020), the Board also discussed principally the following issues:

- the definition and review of strategic directions;
- the review of the ESG (Environment, Social and Governance) strategy: the Company's targets, plans of action and achievements;
- the financial statements and the budget (approval of the annual and consolidated financial statements of 2020, the consolidated financial statements for the first half of 2021 and the provisional financial statements for 2021; review of the quarterly results and the financial objectives for 2021); the Board was kept informed of Dassault Systèmes' financial position through the reports of the Audit Committee and the presentations made at each meeting by the Chief Operating Officer & Chief Financial Officer;
- the review of the assessment of the internal control system;
- the compensation of corporate officers and allocation of shares and share subscription options;
- the implementation of an employee share ownership plan;
- the Board's composition and practices (including a review of the independent status of directors, formal review of the Board);
- Dassault Systèmes SE's compliance with corporate governance rules and recommendations;
- the remote meeting arrangements for the General Meeting held in 2021, in accordance with the applicable regulatory provisions;
- the policy on equal employment and pay;
- the compliance program, including risk mapping for corruption and influence peddling, in accordance with the recommendation of the French Anti-Corruption Agency. The Board of Directors also received a report on the meetings of the Ethics Committee.

Certain matters are subject to a specific review by independent directors during their annual meeting in the absence of executive officers and other directors. In 2021, they reviewed the prevention and management of risks within the Company, in particular cybersecurity and compliance (see the "Meeting of independent directors (annual executive session)" paragraph below). A report on the subjects raised and any comments made by the independent directors is presented, by one of them, to the Board of Directors.

## Consideration by the Board of social and environmental issues

In February 2012, and driven by the Chief Executive Officer, Dassault Systèmes published its purpose, which aims at contributing to sustainable development in all its components: to provide business and people with 3D experience universes (**3DEXPERIENCE**) to imagine sustainable innovations, capable of harmonizing products, nature and life.

This purpose determines not only the selection of acquisitions and product developments but also the culture and values of the Company and of each one of its organizations. Social, societal and environmental responsibility is therefore central to Dassault Systèmes' strategy and its achievements. It is applied to all levels of the Company:

- the Board of Directors considers sustainability as part of its reviews and decisions on the strategy, according to French law and its internal rules;
- within the Board of Directors, Dassault Systèmes appointed an independent director – Ms. Toshiko Mori, an architect committed to sustainable future thinking – to be the lead director for sustainability matters and their presentation to the Board of Directors. As such, Ms. Toshiko Mori is responsible for the review of Dassault Systèmes' targets, action plans and achievements with regards to environmental, social and governance (ESG) issues before reporting on these matters to the Board of Directors;
- the Board of Directors has also included an ESG indicator in the performance criteria triggering payment of the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, and of the members of the Operations Executive Committee;
- each committee of the Board of Directors (all composed exclusively of independent directors) is in charge of sustainability as it relates to its missions:
  - the Scientific Committee reviews the evolution of our sustainability solutions portfolio,
  - the Audit Committee includes in its annual program the review of ESG reporting new requirements and all reporting process related matters,
  - the Compensation and Selection Committee reviews performance criteria for the annual variable compensation of Bernard Charlès, Vice chairman of the Board and Chief Executive Officer;
- at the Operations Executive Committee, Florence Verzelen, Executive Vice-President, Industry, Marketing & Sustainability, is responsible for the Company sustainability roadmap in terms of product development strategy to help customers become more sustainable (handprint) and environmental footprint;
- the Sustainability Committee brings together, every month, the heads of all the key functions of the Company

to discuss action plans and the progress made on cross-functional matters. This Committee is co-chaired by Florence Verzelen and Thibault de Tersant, Senior Executive Vice-President, General Secretary of Dassault Systèmes. The Chief Sustainability Officer of Dassault Systèmes is secretary of the Sustainability Committee;

- from an operational perspective, the Sustainability department coordinates a network of more than 40 Sustainability Leads, who drive the implementation of the Company's sustainability strategy across each geography, brand and industry; the Zero Carbon Team aligns seven key business functions in the attainment of Dassault Systèmes' supply chain optimization and science-based emissions targets; and the environmental reporting network, with its 31 members, reports environmental indicators on a quarterly basis and share best practices;
- the Finance department has also created, in 2021, a sustainable finance role, whose purpose is to ensure the accuracy of the non-financial information and reporting process, the calculation of the European Taxonomy indicators and the selection and valuation of the climate scenarios.

### Meeting of independent directors (annual executive session)

Every year, the independent directors meet at a dedicated session. In September 2021, this meeting was devoted to the prevention and management of risks within the Company, in particular cybersecurity and compliance.

The teams responsible for cybersecurity notably presented the system implemented to detect, monitor and manage these risks based on scenarios recorded in the **3DEXPERIENCE** platform, as well as due diligence carried out during acquisitions.

The Company's ethics and anti-corruption program, which takes into account the latest recommendations of the French Anti-Corruption Agency, as well as the means implemented to relay management's commitment to integrity in all organizations and geographical areas were presented by the Legal Department. The independent directors were also updated on the work of the Ethics Committee and, in particular, the nature of cases and sanctions pronounced in recent years.

As is the case each year, these presentations were followed by discussions among the independent directors, without the presence of Dassault Systèmes' teams, on the practices of the Board in order to provide the Board with an opinion and recommendations on the subject.

### Directors' training

All the directors are invited to attend a dedicated annual information day on the 3DS Paris Campus and the **3DEXPERIENCE** Forum event which Dassault Systèmes organizes every year, in particular in France to receive feedback from its clients and partners.

In accordance with the AFEP-MEDEF Code, each director may request, if he or she considers it necessary, additional training in specific aspects of Dassault Systèmes, its business lines, business sector and social and environmental challenges.

Any director representing employees benefits from training specifically design to its directorship.

Finally, the members of the Audit Committee receive, upon appointment, information on the specific accounting, financial and operational aspects of Dassault Systèmes.

### The Board's review of its practices and performance

The Board of Directors is constantly seeking to improve its composition and practices. To this end:

- it solicits the independent directors' comments on the subject. The independent directors meet each year during a dedicated meeting to provide an opinion, in particular, on the practices of the Board;
- it holds a debate at least once a year on its functioning; and
- it conducts a formal review every three years, in accordance with its internal regulation and the AFEP-MEDEF Code.

Following their meeting in September 2021, the independent directors reported that they were very satisfied with the practices of the Board of Directors, in terms of both subjects covered and documentation provided. They particularly appreciated the directors' annual information day, which they considered to be of excellent quality and enriching, as well as the joint and *ad hoc* committee sessions, which were very useful for addressing certain topics in detail.

The results of the formal review organized in 2021 with all directors were also extremely positive.

In view of the feedback received, management will continue to pay close attention to the subjects covered during the directors' annual information day. It will also ensure the organization of joint committee meetings to anticipate key decisions, in particular when a significant acquisition is under consideration.

Comments and suggestions made by directors as part of the 2018 formal review were taken into account. The schedule for meetings of the Board and its committees was modified and the meeting of independent directors extended to allow them to comprehensively discuss, in addition to corporate governance, other strategic subjects. A joint Audit Committee and Scientific Committee meeting, which was greatly appreciated by the directors, was organized in 2019 to discuss the planned acquisition of Medidata Solutions, Inc..

The Board of Directors thus declared that it was satisfied with the effective contribution of each director to its work, notably on the basis of their respective skills, the attendance and the involvement in the debates of the Board and its committees. The Compensation and Nomination Committee is in charge of reviewing the effective contribution of the independent directors to the Board's work before reporting its conclusions on to the Board of Directors.

### 5.1.1.3 Composition, Practices and Activities of the Board Committees

#### Audit Committee

The Audit Committee consists solely of independent directors: Mr. Xavier Cauchois, who chairs the Committee as well as Ms. Odile Desforges and Ms. Laurence Lescourret. All have financial or accounting expertise.

The Audit Committee, in line with its charter, is responsible for overseeing:

- matters related to the preparation and the auditing of accounting and financial information, in compliance with applicable regulations;
- questions related to the implementation of regulations in the process of being rolled out;
- the preparation process for financial information, the effectiveness of the internal control and risk management systems, the audit by the Statutory Auditors of the annual financial statements and consolidated financial statements and the independence of the Statutory Auditors; and
- the relationship between Dassault Systèmes and its Statutory Auditors. In this regard, the Audit Committee is involved in appointing and reappointing the Statutory Auditors. It monitors the Statutory Auditors to ensure they fulfill their mission and takes account of the findings and conclusions of the Haut Conseil du Commissariat aux Comptes after audits have been conducted.

On all these matters, this Committee reports its recommendations to the Board of Directors.

The Audit Committee also provides the Board with regular reports on its activities, the results of the process of certification of the financial statements by the Statutory Auditors, how this process contributed to the integrity of the financial information and the role it played in this process. It informs the Board of Directors immediately of any difficulties it encounters.

It approves the annual plan for internal audits and gives its opinion on the department's organization. Lastly, it authorizes the Statutory Auditors to provide services other than the certification of the financial statements.

In the performance of its missions, the Audit Committee is given presentations by Dassault Systèmes' financial management, particularly regarding risks and, as the case may be, off-balance sheet commitments, and during the audit of the financial statements, a presentation from the Statutory Auditors on the results of the statutory audit and the accounting options selected. With regard to the efficiency of the internal control and risk management systems, the Statutory Auditors inform the Audit Committee of their main findings and the Internal Audit Director reports to the Audit Committee the conclusions of his/her work. In addition, the Committee may call on external experts, having assessed their expertise and independence.

In 2021, the Audit Committee met ten times, including five meetings at the head office, which were attended by the Chief Operating Officer and Chief Financial Officer, the Group Chief Financial Officer, the Group Controller, the Financial Reporting Director, the Internal Audit Director, the General Counsel and the Statutory Auditors, with which regular discussions were held without the management of Dassault Systèmes in attendance. The attendance rate for meetings of the Audit Committee in 2021 was 100%. The Committee also met in a restricted session for an in-depth look at revenue recognition and non-financial communications.

During 2021, the Audit Committee had the opportunity to discuss, or to give its opinion on, various topics brought to its attention at its regular or special meetings including:

- as part of the quarterly and annual closings, a review of Dassault Systèmes' performance, its targets and the consolidated and parent company financial statements;
- the approval of services carried out by the Statutory Auditors not related to the audit;
- the presentation of significant changes in accounting standards (IFRS or French) and their impacts, particularly the review of the implementation of the IFRS 15 revenue recognition policy and any updates during the fiscal year;
- the validation and follow-up of an audit plan for fiscal year 2021;
- the validation and follow-up of the 2021 internal audit, the review of the internal control assessment system and the review of fraud cases;
- drafting of the external audit plan and budget for 2021;
- the appointment of new Statutory Auditors to replace Ernst & Young et Autres, in accordance with the terms and conditions set out in Article 16 of European Regulation no. 537/2014 and as part of the call for tender described in paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022." The call for applications and the call for tenders took place between November 2020 and June 2021 and the Audit Committee was involved in the entire process: the specification of needs, review of written replies provided by the applicants, review of conclusions drawn by the finance department and oral submissions by each firm;
- a review of the system for monitoring and controlling risks relating to Services activities;
- the monitoring of tax risks, changes to the tax environment, in particular in France and the United States, the review of the withholding tax reporting process, as well as the results of Dassault Systèmes' involvement in the OECD's International Compliance Assurance Program (ICAP) which means a guarantee of compliance with transfer prices for seven countries and for the 2017 to 2020 period (with a few exceptions in terms of three countries);
- acquisition projects;
- the review of the 2020 consolidated non-financial statement, presented by the Independent Verifier, and the review plan for 2021, in particular in terms of the new requirements relating to EU Taxonomy;
- the presentation of ESG (Environment, Social and Governance) objectives and the Finance department and the Procurement department's action plans particularly in terms of the reduction of carbon emissions. Changes to non-financial reporting requirements (such as the initial application of EU Taxonomy and recommendations by the TCFD) and planned adjustments to reporting mechanisms were also reviewed; and
- the main account closing options for the fiscal year.

### Compensation and Nomination Committee

The Compensation and Nomination Committee is composed solely of independent directors: Ms. Laurence Daures-Lescourret, who chairs the Committee, and Mr. Soumitra Dutta.

The main duties of this Committee are:

- to propose to the Board of Directors the amounts for compensation and benefits of the executive officers, including the formulas and the rules to apply for determining variable compensation, and to verify the application of these rules;
- to propose the overall amount and the allocation of the directors' compensation in respect of their directorship;
- to propose to the Board of Directors the nomination or renewal of directors and examine the independence of those who are so identified, based on the criteria set out in the AFEP-MEDEF Code;
- to assess the effective contribution of the independent directors to the work of the Board;
- to examine Dassault Systèmes' policy for nominating and to be informed of the compensation policy for the managers, including non-corporate officers;
- to discuss the employee profit-sharing and incentive plan comprised of grants of performance shares and share subscription options; and
- to propose to the Board of Directors solutions in case of vacancy of the position of Chairman of the Board and of Chief Executive Officer. In this respect, Mr. Bernard Charlès was appointed as Vice chairman of the Board of Directors so that he can act as Chairman of the Board in the event of absence or vacancy of the Chairman position. In addition, the Committee meets regularly with the members of Dassault Systèmes' Executive Committee as well as members of the management teams and oversees the preparation of the Chief Executive Officer's succession through an annual review with the Chief Executive Officer of the composition of the Executive Committee and of the short- and mid-long-term succession plan for its members.

When the Compensation and Nomination Committee carries out its nomination work, it liaises with Mr. Charles Edelstenne, Chairman of the Board and Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer.

In relation to its duties, the Committee met five times in 2021, with an attendance rate of 100%. During these meetings, it carried out all of the missions described above; it also made observations and recommendations to the Board on the following subjects:

- the governance and composition of the Board of Directors and its committees, including the appointment of a lead director from among the independent directors;
- the independence of directors, which was reviewed in relation to the responses of each director to a questionnaire, and the assessment of their actual contribution to the Board's work;
- the amount and distribution of the attendance compensation allocated to directors;
- the minimum number of shares that must be held by directors;
- the composition of the Operations Executive Committee in 2021, the short- and medium-long term succession plan for its members and their compensation;
- the compensation of executive officers;
- the share plans and share subscription option plans for Dassault Systèmes directors and employees;
- the implementation of an employee share ownership plan; and
- the compensation policy for Dassault Systèmes directors and employees.

On a general and ongoing basis, the Compensation and Nomination Committee monitors the compliance of Dassault Systèmes with the law and best practice in the area of corporate governance, particularly with regard to the composition of the Board.

### Scientific Committee

Like the other Board committees, the Scientific Committee is composed solely of independent directors: Ms. Toshiko Mori and Mr. Soumitra Dutta, Chairman of the Committee. The Committee reviews the main directions of research and

development, as well as Dassault Systèmes' technological achievements, and makes recommendations on these matters. The persons with principal responsibility for these matters within Dassault Systèmes are invited to the Committee's meetings.

The Scientific Committee met twice in 2021, with an attendance rate of 100%. At these meetings, the Scientific Committee reviewed a number of topics central to Dassault Systèmes' strategy and in particular:

- investments and research areas in science and technology for digital twins in healthcare and medical practices;
- education and continuous training in the Age of Experience;
- the notion of business processes and their automation (acquisition of the company INTEROPSY SAS ("Iterop"));
- the cyber strategy and system-of-systems approaches, in particular from a sustainable development viewpoint;
- the company's diversification into the world of the consumer/patient/citizen.

#### 5.1.1.4 Powers of the Chief Executive Officer

Pursuant to French law, the Chief Executive Officer represents Dassault Systèmes SE in dealings with third parties within the limits set by its corporate purpose and by the powers reserved by law to the shareholders or the Board of Directors.

However, under Dassault Systèmes SE's by-laws, certain decisions of the Chief Executive Officer are submitted to the prior approval of the Board. This concerns, in particular, the acquisition or the disposal of an entity, shareholding or asset (excluding internal transactions) or the use of external funding (bank loan or capital market issue), if the amount of the transaction exceeds a threshold set each year by the Board. This threshold, which was set by the Board on March 15, 2022, is €500 million. On March 15, 2022, the Board also authorized the Chief Executive Officer to grant guarantees, endorsements or securities in the name of Dassault Systèmes SE:

- without any limitation on the amount to guarantee any commitments made with regard to tax and customs administrations or made by companies controlled by Dassault Systèmes SE;
- up to an aggregate amount of €500 million in other cases.



## 5.1.2 Executives of Dassault Systèmes

Since February 3, 2022, the Executive team, which separates the long-term strategy - governance and operational performance of Dassault Systèmes, is composed as follows:

<b>Bernard Charlès<sup>(1)</sup></b>	Vice chairman of the Board & Chief Executive Officer
<b>Thibault de Tersant</b>	Senior Executive Vice-President, General Secretary

The Operations Executive Committee, reporting to Mr. Pascal Daloz, is made up of 11 members, including 5 women:

<b>Pascal Daloz<sup>(2)</sup></b>	Chief Operating Officer
<b>Florence Hu-Aubigny</b>	Executive Vice-President, Research & Development
<b>Philippe Laufer</b>	Executive Vice-President, 3DS Global Brands
<b>Rouven Bergmann</b>	Executive Vice-President, Chief Financial Officer
<b>Florence Verzelen<sup>(3)</sup></b>	Executive Vice-President, Industry, Marketing & Sustainability
<b>Olivier Ribet</b>	Executive Vice-President, EMEAR <sup>(4)</sup>
<b>Samson Khaou</b>	Executive Vice-President, Asia-Pacific
<b>Erik Swedberg</b>	Executive Vice-President, Americas
<b>Laurence Barthès</b>	Executive Vice-President, Chief People & Information Officer
<b>Elisa Prisner</b>	Vice-President Corporate Strategy & Platform Transformation
<b>Victoire de Margerie</b>	Vice-President Corporate Equity, Marketing & Communications

(1) Mr. Bernard Charlès is an executive officer (*dirigeant mandataire social exécutif*) within the meaning of the AFEP-MEDEF Code.

(2) Mr. Pascal Daloz is also a director of Dassault Systèmes SE.

(3) As social, societal and environmental responsibility is the focus of Dassault Systèmes' strategy and of its achievements, Ms. Florence Verzelen is responsible for sustainable development matters on the Operations Executive Committee.

(4) Europe Middle East Africa Russia.

In 2021, the Executive team was composed as follows:

<b>Bernard Charlès</b>	Vice chairman of the Board & Chief Executive Officer
<b>Dominique Florack</b>	President

The Operations Executive Committee was made up of 11 members, five of whom were women:

<b>Pascal Daloz</b>	Chief Operating Officer & Chief Financial Officer
<b>Florence Hu-Aubigny</b>	Executive Vice-President, Research & Development
<b>Philippe Laufer</b>	Executive Vice-President, 3DS Global Brands
<b>Florence Verzelen</b>	Executive Vice-President, Industry, Marketing & Sustainability
<b>Olivier Ribet</b>	Executive Vice-President, EMEAR
<b>Samson Khaou</b>	Executive Vice-President, Asia-Pacific
<b>Erik Swedberg</b>	Executive Vice-President, Americas
<b>Laurence Barthès</b>	Executive Vice-President, Chief People & Information Officer
<b>Thibault de Tersant</b>	Senior Executive Vice-President, General Secretary
<b>Elisa Prisner</b>	Vice-President Business Platform Transformation
<b>Victoire de Margerie</b>	Vice-President Corporate Equity, Marketing & Communications

### Gender equality objective within governing bodies

Upon the proposal of the executive management, the Board of Directors has set the objective of maintaining a proportion of women of approximately 40% within the Executive team.

This proportion is up sharply, from 22% in 2019 to 38.5% since 2020.

Dassault Systèmes has a strong ambition in terms of gender equality and promotes the increased representation of women in top positions of responsibility with specific actions taken at the recruitment stage and a follow-up based on objectives that are assessed annually (see paragraph 5.1.7.5 "Gender Equality within the Executive Team and Top Positions of Responsibility").

### 5.1.3 Compensation Policy for Corporate Officers (*mandataires sociaux*)

#### A compensation policy in line with the corporate interest, strategy and durability of Dassault Systèmes

Dassault Systèmes' long-term strategy is based on its purpose, which aims at contributing to sustainable development in all its components: to provide business and people with 3D experience universes (**3DEXPERIENCE**) to imagine sustainable innovations, capable of harmonizing products, nature and life.

The Dassault Systèmes compensation policy is defined to be in the corporate interest to attract, motivate and retain highly qualified profiles, for whom competition in the market is intense, to promote the Company's success and durability, which depend on the achievement of its strategic, commercial and financial objectives in the medium and long term.

Any change in the compensation of the Chief Executive Officer and Chairman of the Board of Directors is based on performance, changes in Dassault Systèmes' scope and its market shares. The development during the past three years of macro-economic figures and data specific to Dassault Systèmes SE (including the employment and compensation conditions applicable to employees) is also reviewed.

Any significant change in their compensation is thus made over long intervals, in accordance with the recommendation of the AFEP-MEDEF Code. In 2021, the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, decided to increase the fixed annual compensation of the Chairman of the Board of Directors and the target annual compensation for objectives achieved of the Chief Executive Officer by 4% compared with 2020. This compensation had remained unchanged since 2014 and 2018 respectively.

These increases notably reflect Dassault Systèmes' new ambition published in 2020 – creating the virtual twin experience of the human body – and the expansion of its market, in particular following the acquisition of Medidata Solutions, Inc., which results in a doubling of the potential market.

They were decided on by taking into account the compensation conditions of employees:

- the increases in the fixed compensation of the Chairman of the Board of Directors and the target annual compensation for objectives achieved of the Chief Executive Officer were at a level equivalent to half of the overall increase of Dassault Systèmes SE employees' salaries between 2018 and 2021;
- the increase in the fixed compensation of the Chairman of the Board of Directors and the Chief Executive Officer was effective as of April 1, 2021, the date on which the fixed compensation of the employees was also increased;

The compensation structure of the Chief Executive Officer is the same as that of the Executive team of Dassault Systèmes. Their compensation is comprised of a fixed portion and a variable portion. The variable portion may represent a significant part of the total compensation if the annual targets

are achieved or outperformed. The targets are reviewed every year in order to be consistent with Dassault Systèmes' strategic orientations. However, the Chief Executive Officer is not eligible for profit-sharing payments, intended for all Dassault Systèmes SE employees, unlike the other members of the Executive team attached to France.

#### Shareholder approval

The compensation policy for the corporate officers of Dassault Systèmes is set each year in March by the Board of Directors on the recommendation of the Compensation and Nomination Committee.

The Committee exercises its missions with complete independence based on a benchmark of compensations granted to directors, Chairmen of the Board of Directors or Supervisory Boards and CEOs of companies on the CAC 40 index mainly, and of compensation granted to CEOs, who are often also founders of international technology companies. The benchmark used by the Committee is stable.

The members of the Committee, all of whom are independent directors, discuss the subject of compensation in the absence of the persons concerned, including the Chief Executive Officer.

In accordance with Article L. 22-10-34, II of the French Commercial Code, the compensation elements due or granted for 2021 to Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, will be subject to a shareholders' vote. The payment of the variable or extraordinary compensation elements for 2021, resulting from the implementation of the compensation policy applicable to Mr. Charles Edelstenne and Mr. Bernard Charlès and approved by the General Meeting held on May 26, 2021, is thus subject to shareholder approval at the next General Meeting (see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 19, 2022").

In 2021, such resolutions relating to compensation elements due or granted for the 2020 fiscal year to Mr. Charles Edelstenne (6th resolution) and to Mr. Bernard Charlès (7th resolution) were approved by 98.28% and 79.16%, respectively.

Some of the information included in the corporate governance report will also be submitted in a resolution to a vote of the shareholders in accordance with Article L. 22-10-34, I of the French Commercial Code (see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 19, 2022").

Furthermore, in accordance with Article L. 22-10-8 of the French Commercial Code, the compensation policy for corporate officers, as set forth in paragraph 5.1.3, will be subject to the approval of the next General Meeting (see also paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting on May 19, 2022"). Pursuant to Article L. 22-10-34, II of the French Commercial Code, payment to Mr. Charles Edelstenne, Chairman of the Board

of Directors, and Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, of variable or extraordinary compensation elements resulting from the implementation, for 2022, of the compensation policy will be subject to the approval of the shareholders at the General Meeting that approves the financial statements for fiscal year 2022.

### 5.1.3.1 Compensation of the Chairman of the Board

The annual compensation of the Chairman of the Board of Directors is a fixed compensation only, in accordance with the recommendation of the AFEP-MEDEF Code. He does not receive any multi-year or other variable compensation, any additional retirement plan, any indemnity under a non-competition clause or any benefit in kind other than a mandatory supplemental medical coverage.

All compensation paid by the Company to the Chairman of the Board of Directors is paid by Dassault Systèmes SE, a company incorporated under the laws of France and main operating company of Dassault Systèmes.

At its meeting on March 15, 2022, the Board of Directors set the amount of this fixed compensation for 2022 at €1,020,000, an amount which is unchanged compared with 2021.

### 5.1.3.2 Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer consists of a fixed and a variable annual compensation as well as benefits in kind corresponding to the use of a vehicle and a mandatory supplemental medical coverage. In the event of a forced departure, he may receive compensation subject to the satisfaction of certain conditions, including a performance condition.

Mr. Bernard Charlès does not receive any multi-year variable compensation or any additional retirement plan or indemnity under a non-competition clause.

Mr. Bernard Charlès does not receive any compensation for his role as Vice chairman of the Board of Directors.

All compensation paid by the Company to the Chief Executive Officer is paid by Dassault Systèmes SE, a company incorporated under the laws of France and main operating company of Dassault Systèmes.

Mr. Bernard Charlès is also granted performance shares as part of the gradual process of associating the Chief Executive

Officer with the company's capital with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.

Only Dassault Systèmes SE allocates performance shares to the Chief Executive Officer, who is not granted any share subscription or purchase options.

### Fixed and variable annual compensation

The Chief Executive Officer receives a target annual compensation for objectives achieved comprised of a fixed portion for 50%, paid monthly, and a variable portion for 50%, paid (subject to the approval of the General Meeting of Shareholders) annually in relation to the achievement of the performance criteria previously set by the Board of Directors.

For 2022, these criteria, as set out below by the Board of Directors, are in line with Dassault Systèmes' strategic orientations in the short, medium and long term. Therefore, they contribute to the objectives of the compensation policy of Dassault Systèmes to promote the Company's success and durability.

Dassault Systèmes' long-term strategy is based on its purpose, which aims at contributing to sustainable development in all its components: to provide business and people with 3D experience universes (**3DEXPERIENCE**) to imagine sustainable innovations, capable of harmonizing products, nature and life. This purpose, published in February 2012 at the behest of the Chief Executive Officer, determines not only the choice of acquisitions and product developments, each Dassault Systèmes brand carrying a promise of sustainable innovation, but also the culture and the values of the Company and each of its organizations. In other words, social and environmental responsibility is at the core of Dassault Systèmes' strategy and its achievements, as acknowledged by the various sustainable development indexes and international rankings. Accordingly, each category of performance criteria derives from and is inextricably linked to the Dassault Systèmes purpose.

Since 2020, these criteria have included an ESG indicator representing 15% of the variable portion. The purely qualitative portion of these criteria is limited to 20%.

The ESG criteria and associated objectives are reviewed annually to ensure consistency with Dassault Systèmes' ESG strategy for 2025 as defined in the Sustainability Compass objectives.

**Performance criteria triggering the payment of variable compensation to the Chief Executive Officer**

	Type	Weighting	Cap
Dassault Systèmes ESG Indicator <sup>(1)</sup>	Quantifiable	15%	140%
Diluted net earnings per share on a non-IFRS consolidated basis (hereinafter referred to as the "EPS") in line with the objectives communicated by Dassault Systèmes for the year	Quantifiable	20%	140%
Company efficiency processes, measured by the fact that the non-IFRS operating margin is in line with the objectives announced by Dassault Systèmes for the year	Quantifiable	15%	140%
Competitive position, measured by relative revenue growth compared to competitors and the proportion of cloud revenue in the total software revenue	Quantifiable	15%	140%
Composition of product portfolio	Quantifiable	15%	140%
Implementation of Dassault Systèmes' short-, medium- and long-term strategy contributing to future growth	Qualitative	20%	140%

(1) The indicator is based on four environmental, social and governance criteria: employees' pride and satisfaction as measured by an internal annual survey; the proportion of women on the Board of Directors, the Executive team and among People Managers; the proportion of revenue from new licenses generated by sustainable solutions (handprint); and the CO<sub>2</sub> parameter (footprint).

To determine whether the above criteria are met, the Compensation and Nomination Committee verifies in March of Year N+1 to what extent the targets set in March of Year N have been met. The level of achievement of the objectives determines the amount actually paid for the variable compensation, which can result in a payment below the target, or above the target up to 140% overall and per criterion. No minimum payment is guaranteed and, in the event of an outperformance, the allocated amount is capped.

There is no mechanism for the return of the variable portion of the Chief Executive Officer's compensation.

During its March 15, 2022 meeting, the Board of Directors set the amount of the annual target compensation with targets achieved for the Chief Executive Officer for 2022 at €2,890,000, composed of a fixed amount of €1,445,000 and a variable portion of no more than 140% of the fixed portion, the amount of which will depend upon the achievement of the targets and will be subject to the approval of the General Meeting of Shareholders called to approve the 2022 financial statements. The annual target compensation with targets achieved for the Chief Executive Officer therefore remains unchanged for 2022 compared with 2021.

**Performance shares**

Prior to the IPO of Dassault Systèmes in 1996, Mr. Bernard Charlès had not benefited from an equity stake in the Company.

In this context and since 2005, the Board of Directors, with the authorization of the General Meeting and on the recommendation of the Compensation and Nomination Committee, grants performance shares to the Chief Executive Officer each year as part of the gradual process of associating him with the company's capital with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world. The number of shares granted in this regard

is 300 000 shares per year which, following the five-for-one stock split in July 2021, now amounts to 1,500,000<sup>(1)</sup>.

The acquisition of these shares is subject to conditions of presence and performance set by the Board that are identical to those stipulated for the acquisition of shares awarded to Dassault Systèmes employees in France and in the United States (excluding MEDIDATA) who benefit from them.

Therefore, at its meeting on March 15, 2022, the Board of Directors decided that performance shares will be allocated in 2022 to the Chief Executive Officer, per the authorization granted by the General Meeting of Shareholders, under the authorization of the General Meeting of Shareholders, as part of the gradual process of association to the capital of the Company initiated for a long time. The number of shares will be equivalent to that of previous years, i.e. 300,000 shares per year which, following the five-for-one stock split in July 2021, now amounts to 1,500,000.

Although this allocation of shares does not aim at providing a compensation to the Chief Executive Officer but aims at gradually associating him with Dassault Systèmes' capital, it is still subject, as for all Dassault Systèmes' employees who benefit from performance shares allocations, to rigorous financial performance criteria based on the intrinsic performance of Dassault Systèmes. In this respect, no minimum amount is guaranteed. It therefore contributes to the objectives of the compensation policy of Dassault Systèmes to promote the Company's success and durability.

These shares will be acquired at the end of a three-year vesting period, subject to the satisfaction of a condition of presence and a performance condition.

The performance criterion, assessed over a three-year period, will be expressed as a non-IFRS EPS growth rate (neutralized from currency effects) achieved in 2024 compared to the non-IFRS EPS achieved in 2021. This growth rate will be set by the Board of Directors in coherence with the growth rate included in the multi-year objectives published by Dassault Systèmes (and described in the paragraph "Financial Objectives" of this

(1) In 2018, the Board of Directors granted performance shares to certain Dassault Systèmes' employees and the Chief Executive Officer in May and in September. The grant made in September was an anticipated grant for 2019 so that it could be subject to the legal framework for the authorization of the General Meeting of September 4, 2015, which expired on November 4, 2018. Consequently, no performance shares were allocated in 2019 to the Chief Executive Officer.

Universal registration document), aiming at an EPS level of €1.2 in 2024.

No performance shares may be acquired by the Chief Executive Officer if the objective achievement level is below 80%. If the achievement level is between 80% and 100%, the number of shares granted will progress linearly from 50% to 100%. If the achievement level is greater than 100%, the number of shares granted will be capped at 100%.

If the condition of presence is not met at the time of the vesting of the shares, except in the case of retirement or of disability, no shares will be acquired by the Chief Executive Officer.

There is no mandatory holding period after the vesting of these shares. However, in accordance with the AFEP-MEDEF Code and the AMF recommendations, since 2007, the Board of Directors has, with each award, set the percentage of shares thus acquired that the Chief Executive Officer will be required to keep in registered form for as long as he holds office.

Accordingly, on March 15, 2022, the Board of Directors decided that that percentage would be equal, as it has been every year since 2007, to 15% of the shares acquired. This percentage is calculated after deduction of the number of shares that would be necessary to sell in order to pay taxes due, social charges and expenses related to the sale of the total number of shares vested.

The Chief Executive Officer cannot enter into forward transactions that allow him to guarantee a capital gain in the event of the sale of his performance shares. He has formally agreed to this prohibition which is also stated in the Dassault Systèmes Insider Trading Rules.

### Benefits in kind

The Chief Executive Officer receives benefits in kind corresponding to the use of the vehicle made available to him by Dassault Systèmes SE and a mandatory supplemental medical coverage.

### Indemnity due in the event of imposed departure

The Chief Executive Officer may receive compensation for the termination of his functions whose principle and amount are subject to certain conditions, in particular performance conditions, in accordance with the French Commercial Code and the AFEP-MEDEF Code. Thus the indemnity would be due in case of a change in control or strategy duly acknowledged by the Board of Directors, which results in an imposed departure in the subsequent 12 months. The indemnity may also be paid, in compliance with the AFEP-MEDEF Code, if the imposed departure is not linked to the poor results of Dassault Systèmes or to mismanagement by the Chief Executive Officer. In this case, the Board of Directors is entitled to decide to pay all or part of the indemnity.

However, the indemnity would not be due in the event that Bernard Charlès were to leave Dassault Systèmes on his own initiative to take a new position elsewhere, or were to be assigned a new position within the Company, or if he were to receive retirement benefits shortly after leaving. Furthermore, in the event of exceptional circumstances seriously damaging the image or results of Dassault Systèmes and significantly reducing, in the opinion of the Board, the market price of Dassault Systèmes' shares or in the event of misconduct other than in connection with his corporate functions and incompatible with the normal performance of his term of office, the Board may decide that the indemnity payment is not due.

The amount of the indemnity due to Mr. Bernard Charlès, in the event of the termination of his functions, will be equivalent to a maximum of two years of compensation as Chief Executive Officer and will depend on satisfying the performance conditions established for calculating his variable compensation. The amount paid would be calculated pro rata with respect to the percentage of variable compensation which was paid during the three years preceding his departure as compared to the targeted variable compensation for such years, using the following formula:

- the aggregate gross compensation (including variable compensation but excluding benefits in kind and directors' compensation) due in connection with his position for the two years ended prior to the date of departure;
- multiplied by the quotient of (i) the amount of variable compensation actually paid during the three fiscal years ended prior to the date of departure with regard to their respective years of reference (numerator), divided by (ii) the amount of target variable compensation determined for each of these years by the Board of Directors on the basis of achievement of the objectives set for Dassault Systèmes (denominator).

The indemnity is thus subject to performance conditions related to achieving targets fixed for the variable compensation.

The Chief Executive Officer does not receive any multi-year variable compensation, additional pension plan or compensation relating to a non-compete clause.

### 5.1.3.3 Directors Compensation

The directors of Dassault Systèmes SE, including Mr. Charles Edelstenne in his capacity as Chairman of the Board of Directors, and Mr. Bernard Charlès, in his capacity as a director, receive compensation for their activity (formerly known as "directors' fees").

The General Meeting of May 26, 2020 set the maximum annual amount of compensation granted to directors at €800,000<sup>(1)</sup> for the current and future fiscal years, until a further decision by the General Meeting on this issue.

(1) <sup>1</sup> The increase in the allocation in 2020 followed the observation that the directors' compensation was below the average compensation offered in companies in the SBF 120 and the entry, in September 2018, of Dassault Systèmes SE into the CAC 40. It also took into account the consequences of the acquisition of Medidata Solutions Inc. in terms of complexity and Dassault Systèmes' increased exposure on the market. In addition, the utilization rate of the annual amount to be allocated to directors (close to 100%) left no flexibility to organize additional meetings of the Board and its Committees nor did it allow the compensation of a second director representing employees.

The Board of Directors decided, during its meeting on March 15, 2022, to submit for the approval of the next General Meeting an annual allocation in the amount of €900,000 for the 2022 fiscal year and subsequent years, until a further decision by the General Meeting on this issue (see also paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022").

This proposed increase follows the appointment of a lead independent director whose role will be compensated. As the utilization rate of the annual amount to be allocated to directors is approaching 100%, the Board of Directors wishes to leave itself the flexibility to organize additional meetings of the Board and its Committees if necessary.

In terms of criteria for allocating the total amount among the directors, Dassault Systèmes is focused on attracting, motivating and retaining highly qualified profiles.

Subject to the approval by the General Meeting of May 19, 2022 of the compensation policy for corporate officers and of the new allocation for 2022, the Board of Directors, at its meeting on March 15, 2022, decided to maintain the allocation criteria set in 2020 and 2021, i.e.: €20,000 per director, an additional €20,000 for the Chairman of the Board, an additional €20,000 for the Chairman of the Audit Committee, and an additional €10,000 for the Chairman of the Compensation and Nomination Committee and the

Chairman of the Scientific Committee (these amounts being paid in proportion to the actual term in office during the year); €4,500 per member for physical presence at a Board or Committee meeting; and €2,250 per member for each Board or Committee conference call or video-conference. The Board of Directors, at its March 15, 2022 meeting, also decided to allocate an additional annual compensation of €20,000 to the newly appointed lead independent director.

In the event of the presence of the members of the Board of Directors at all the scheduled meetings of the Board, the variable part is thus structurally higher than the fixed part.

#### 5.1.3.4 **Terms of office, Employment Contracts or Service Agreements with the Company**

The term of office of the corporate officers of Dassault Systèmes SE is four years. They are revocable under the conditions provided by law.

The employment contracts of Mr. Pascal Daloz, Mr. Tanneguy de Fromont de Bouaille and Mr. Hervé Andorre have an indefinite term. They are subject to legal conditions, in particular with regard to notice and termination.

No contract for the provision of services has been concluded by the Company with one of its corporate officers.

## 5.1.4 Summary of the Compensation and Benefits due to Corporate Officers

### **Ratios between the compensation paid to executive corporate officers of Dassault Systèmes SE and that paid to employees who are not corporate officers**

Below, Dassault Systèmes SE publishes the ratios required by Article L. 22-10-9 of the French Commercial Code resulting from the Order of November 27, 2019 relating to the compensation of corporate officers of listed companies following the AFEP guidelines on compensation multiples as of February 2021.

Dassault Systèmes SE is the Company's main operating company, with its workforce representing 85.5% of the workforce in France as of December 31, 2021. As Dassault Systèmes SE's equity ratios are representative, the definition of a larger scope for the purpose of presenting those ratios is not relevant.

The elements included as compensation are the compensation and benefits paid in respect of fiscal year N and comprising the fixed part, the variable part paid during fiscal year N, the extraordinary compensation paid during fiscal year N, the compensation allocated to directors in respect of their term of office as a director as soon as these elements were received by the executive officer, paid during fiscal year N, performance shares paid during fiscal year N and valued at their IFRS value, and employee saving (profit-sharing, incentives) and benefits in kind.

Compensation is calculated on a full-time equivalent basis of Dassault Systèmes SE employees present in 2020 and 2021, excluding apprentices.

The compensation elements taken into account for Mr. Charles Edelstenne and Mr. Bernard Charlès are presented in Table 1 of this chapter.

### Charles Edelstenne, Chairman of the Board of Directors

	2021	2020	2019	2018	2017
Ratio compared to the average compensation paid to employees of Dassault Systèmes SE	9.5	9.6	9.3	9.8	10.2
Ratio compared to the median compensation paid to employees of Dassault Systèmes SE	13.5	12.8	12.8	13.3	13.5

### Bernard Charlès, Vice chairman of the Board and Chief Executive Officer

	2021	2020	2019	2018	2017
Ratio compared to the average compensation paid to employees of Dassault Systèmes SE	27.4	27.9	26.6	27.4	27.3
Ratio compared to the median compensation paid to employees of Dassault Systèmes SE	38.5	37.2	36.6	37.0	35.9

The compensation of the Vice chairman of the Board of Directors and Chief Executive Officer, Mr. Bernard Charlès, taken into account to calculate the equity ratio presented above, does not include the portion represented by the shares allocated to Mr. Bernard Charlès as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of ultimately recognizing his

entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, or more generally, of his peers in technology companies around the world.

Prior to the IPO of Dassault Systèmes in 1996, Mr. Bernard Charlès had not benefited from an equity stake in the Company.

However, the valuation of the shares allocated to Mr. Bernard Charlès within the framework of the gradual process of associating him with the capital of Dassault Systèmes SE would bring the equity ratio to the following values:

#### Reflecting the gradual process of association to the capital of Dassault Systèmes SE

	2021	2020	2019	2018	2017
Ratio compared to the average compensation paid to employees of Dassault Systèmes SE	390.0	191.3	223.0	218.7	156.7
Ratio compared to the median compensation paid to employees of Dassault Systèmes SE	552.2	254.6	306.5	295.3	206.3

Furthermore, Mr. Charles Edelstenne, Chairman of the Board of Directors and Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer, do not receive any additional retirement plan or any indemnity under a non-competition clause.

## Annual trends in the compensation of executive corporate officers, in the Company's performance, and in the average compensation paid to Company employees over the past 5 years

The share price and net earnings per share shown in the table below reflect the five-for-one stock split of Dassault Systèmes' shares on July 7, 2021.

(in euros)	2021	2020	2019	2018	2017
Compensation paid to the Chairman of the Board	1,070,895	1,031,645	1,027,243	1,027,100	1,027,100
Compensation paid to the Vice chairman of the Board of Directors and Chief Executive Officer	3,089,077	2,997,377	2,942,933	2,855,716	2,742,434
Share price on December 31 of the reporting year	52.31	33.23	29.31	20.74	17.72
Net earnings per share	0.95	0.75	0.73	0.62	0.54
Average compensation paid to employees other than executive officers, on a full-time equivalent basis	112,665	107,267	110,644	104,300	100,465

The above compensation of the Vice chairman of the Board of Directors and Chief Executive Officer does not include the shares allocated to Mr. Bernard Charlès as part of the gradual process of associating him with the Company's capital. The evolution of the valuation of these shares is:

Value of the shares allocated to the Vice chairman of the Board of Directors and Chief Executive Officer as part of the gradual process of associating him with the Company's capital <sup>(1)</sup>	40,845,000 <sup>(2)</sup>	17,526,600 <sup>(3)</sup>	21,734,506 <sup>(4)</sup>	19,950,608 <sup>(5)</sup>	13,004,841 <sup>(6)</sup>
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- (1) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and after taking into account the performance criteria.  
(2) 300,000 2021-B shares granted in 2021. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.  
(3) 300,000 2020-B shares granted in 2020. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.  
(4) 300,000 2019-B shares granted in advance in 2018. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.  
(5) 300,000 2018-B shares granted in 2018. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.  
(6) 300,000 2017-B shares granted in 2017. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.

The tables below provide a summary, in accordance with the recommendations of the AMF and the AFEP-MEDEF Code, of the compensation and benefits of any kind paid to the corporate officers of Dassault Systèmes SE, pursuant to Article L. 22-10-9 of the French Commercial Code (see also paragraphs 5.1.3 "Compensation Policy for Corporate Officers (*mandataires sociaux*)" and 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE").

The total compensation of the corporate officers paid and awarded during fiscal year 2021 complies with the compensation policy adopted in 2020 and the compensation policy adopted in 2021 without any changes. This compensation contributes to the long-term performance of

the Company. With respect to the Chief Executive Officer, the variable portion of his compensation is conditional on achieving demanding performance criteria and is in line with Dassault Systèmes' strategic orientations in the short, medium and long term.

For fiscal year 2021, the amount of compensation allocated to the directors of Dassault Systèmes SE in respect of their directorships totals €759,000, of which €300,000 are allocated on the basis of their position (fixed portion) and €459,000 on the basis of their attendance at meetings of the Board of Directors and its committees (variable portion). In accordance with the AFEP-MEDEF Code, the variable portion of the compensation allocated to the directors is thus preponderant.



**Table 1: Summary of compensation and options and shares granted to each executive officer**

<i>(in euros)</i>	<b>2021</b>	<b>2020</b>
<b>Charles Edelstenne, Chairman of the Board of Directors</b>		
Compensation due for the year (detailed in Table 2) <sup>(1)</sup>	1,077,645	1,042,395
Value of the multi-year variable compensation paid during the year	None	None
Value of the stock options granted during the year (detailed in Table 4)	None	None
Value of the performance shares granted during the year (detailed in Table 6)	None	None
Value of the other long-term compensation plans	None	None
<b>Bernard Charlès, Vice chairman of the Board and Chief Executive Officer</b>		
Compensation due for the year (detailed in Table 2) <sup>(1)</sup>	3,229,827	3,047,827
Value of the multi-year variable compensation paid during the year	None	None
Value of the stock options granted during the year (detailed in Table 4)	None	None
Value of the performance shares granted during the year (detailed in Table 6)	None	None
Value of the other long-term compensation plans	See table below	See table below

(1) All compensation paid by the Company to Mr. Charles Edelstenne and Mr. Bernard Charlès is paid by Dassault Systèmes SE, a company incorporated under the laws of France and the principal operating company.

### Value of the shares granted to Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, as part of the gradual process of associating him with the Company's capital

These shares are granted to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of ultimately recognizing

his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.

<i>(in euros)</i>	<b>2021</b>	<b>2020</b>
<b>Bernard Charlès, Vice chairman of the Board and Chief Executive Officer</b>		
Value of the shares granted <sup>(1)</sup>	40,845,000 <sup>(2)</sup>	17,526,600 <sup>(3)</sup>

- (1) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and after taking into account the performance criteria.  
 (2) 300,000 2021-B shares granted in 2021. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.  
 (3) 300,000 2020-B shares granted in 2020. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.

These 300,000 shares allocated to Mr. Bernard Charlès on June 29, 2021 ("2021-B" shares) represent approximately 5.67% of the global allocation decided by the General Meeting of May 26, 2021 <sup>(1)</sup>. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.

Half of these shares "2021-B" will be acquired on June 29, 2023 and half on June 30, 2025, subject, in accordance with the AFEP-MEDEF Code, to the satisfaction of a condition of presence and a performance condition, identical to those provided for the benefit of Dassault Systèmes employees (excluding MEDIDATA) who benefit from them (2021-A performance share plan).

The performance criterion will be expressed as a non-IFRS EPS growth rate (neutralized from currency effects) achieved

in 2022 and 2024 compared to the non-IFRS EPS achieved in 2020. This growth rate was set by the Board of Directors in coherence with the growth rate included in the multi-year objectives published by Dassault Systèmes (and described in the paragraph "Financial Objectives" of this Universal registration document, aiming at an EPS level of €1.2 in 2024.

No performance shares "2021-B" may be acquired by the Chief Executive Officer if the objective achievement level is below 80%. If the achievement level is between 80% and 100%, the number of shares granted will progress linearly from 80% to 100%. If the achievement level is greater than 100%, the number of shares granted will be capped at 100%.

No shares "2021-B" may be vested by the Chief Executive Officer if the condition of presence is not met, except in case of retirement or disability.

(1) The General Meeting of May 26, 2021 set the maximum number of shares that may be granted to executive officers at 35% of the decided global allocation amount, assessed on the date of the allocation, i.e. 1,396,102 shares on June 29, 2021.



**Table 2: Summary of the compensation of each executive officer**

The gross compensation before tax of the executive officers is set forth in the table below. All compensation paid by the Company to the executive officers is paid by Dassault Systèmes SE, a company incorporated under the laws of France, and main operating company of Dassault Systèmes.

The executive officers do not receive any compensation from Dassault Systèmes SE other than that shown in the table below.

<i>(in euros)</i>	2021		2020	
	Amounts due for the year	Amounts paid in 2021	Amounts due for the year	Amounts paid in 2020
<b>Charles Edelstenne, Chairman of the Board of Directors</b>				
Fixed compensation <sup>(1)</sup>	1,010,500	1,010,500	982,000	982,000
Annual variable compensation	None	None	None	None
Multi-year variable compensation	None	None	None	None
Extraordinary compensation	None	None	None	None
Compensation allocated to directors in respect of the directorship	67,000	60,250	60,250	49,500
Benefits in kind <sup>(2)</sup>	145	145	145	145
<b>TOTAL</b>	<b>1,077,645</b>	<b>1,070,985</b>	<b>1,042,395</b>	<b>1,031,645</b>
<b>Bernard Charlès, Vice chairman of the Board and Chief Executive Officer<sup>(3)</sup></b>				
Fixed compensation	1,431,250	1,431,250	1,390,000	1,390,000
Annual variable compensation <sup>(4)</sup>	1,734,000 <sup>(5)</sup>	1,600,000 <sup>(6)</sup>	1,600,000 <sup>(6)</sup>	1,556,800 <sup>(7)</sup>
Multi-year variable compensation	None	None	None	None
Extraordinary compensation	None	None	None	None
Compensation allocated to directors in respect of the directorship	47,000	40,250	40,250	33,000
Benefits in kind <sup>(8)</sup>	17,577	17,577	17,577	17,577
<b>TOTAL</b>	<b>3,229,827</b>	<b>3,089,077</b>	<b>3,047,827</b>	<b>2,997,377</b>

(1) GIMD paid Mr. Charles Edelstenne, in 2021 and 2020, a gross compensation of €910,284 and €905,400 respectively as Chairman of GIMD.

(2) These benefits in kind are linked to mandatory supplemental medical coverage. Furthermore, GIMD granted, in 2021 and 2020, benefits in kind relating to the use of a car for Mr. Charles Edelstenne, valued at €10,326 for each year.

(3) With the exception of the compensation paid in respect of his term of office as a Director, Dassault Systèmes SE has paid Mr. Bernard Charlès each of the compensation elements referred to in the table above in respect of his office as Chief Executive Officer of Dassault Systèmes. In 2021, Mr. Bernard Charlès did not receive any compensation in consideration of his office as Vice chairman of the Board.

(4) The rules governing the determination of variable compensation of the Chief Executive Officer are described below.

(5) Variable portion due for 2021 and paid in 2022.

(6) Variable portion due for 2020 and paid in 2021.

(7) Variable portion due for 2019 and paid in 2020.

(8) These benefits in kind are linked to mandatory supplemental medical coverage, and use of a vehicle made available to Mr. Bernard Charlès by Dassault Systèmes SE.

### Conditions for determining the variable portion of the Chief Executive Officer's compensation due in respect of fiscal year 2021

A review of the achievement of the performance criteria set in 2021 measured the variable portion of the Chief Executive Officer's compensation for 2021 at 126.6%. However, in order to take account of the Company's compensation practices and long-term outlook regarding the office of Chief Executive Officer, which cannot be assessed solely on a strictly annual basis, and having held discussions with the Chairman of the Board of Directors and the Chief Executive Officer, the Compensation and Nomination Committee recommended to the Board that this percentage be weighted from 126.6% to 120% of the target annual variable compensation.

At its meeting on March 15, 2022, upon the recommendation of the Compensation and Nomination Committee and further to the review of the achievement of the performance criteria

set in 2021, the Board set the variable portion of the Chief Executive Officer's compensation paid in 2022 in respect of 2021, subject to the approval of the General Meeting of Shareholders, at €1,734,000, equivalent to 120% of the annual target variable compensation. This amount represents 121% of his fixed compensation paid in 2021. The Chief Executive Officer's variable compensation for the 2021 fiscal year thus represents 53.7%, and his fixed compensation for the same fiscal year 44.3%, of his total compensation (for further details on the total compensation, see paragraph 5.1.4 Table 2 "Summary of the compensation of each executive officer").

The performance criteria categories are set forth in the following table with an indication, for each of them, of their respective weight and the level of payment resulting from the level of satisfaction. The level of achievement of the objectives can result in a payment below the target, or above the target up to 140%.

Performance criteria categories	Type	Weighting	Level of achievement
Dassault Systèmes ESG Indicator*	Quantifiable	15%	123.8%
Diluted net earnings per share on a non-IFRS consolidated basis (hereinafter referred to as the "EPS") in line with the objectives communicated by Dassault Systèmes for the year	Quantifiable	20%	131.7%
Company efficiency processes, measured by the fact that the non-IFRS operating margin is in line with the objectives announced by Dassault Systèmes for the year	Quantifiable	15%	140%
Competitive position, measured by the evolution of the increase in the revenue compared to the competitors and the increase of the weight of the diversification industries in the global software revenue	Quantifiable	15%	114%
Composition of product portfolio	Quantifiable	15%	137%
Implementation of Dassault Systèmes' short-, medium- and long-term strategy contributing to future growth	Qualitative	20%	115%

\* The indicator is based on four environmental, social and governance criteria: employees' pride and satisfaction as measured by an internal annual survey; the proportion of women on the Board of Directors and on the Executive team; the proportion of revenue from new licenses having a positive impact on the environment (handprint); and the CO<sub>2</sub> parameter (footprint).

**Table 3: Compensation received by non-executive directors**

The non-executive directors do not receive any compensation from the Company other than that indicated in the table below, except for Mr. Thibault de Tersant, Mr. Pascal Daloz<sup>(1)</sup>, Mr. Tanneguy de Fromont de Bouaille and Mr. Hervé Andorre<sup>(2)</sup> who also receive compensation in respect of their employment contract.

All compensation paid by the Company to the non-executive directors is paid by Dassault Systèmes SE, a company incorporated under the laws of France, and main operating company of Dassault Systèmes.

The compensations presented in the table below are gross compensations.

(in euros)	2021		2020	
	Amounts due for the year	Amounts paid in 2021	Amounts due for the year	Amounts paid in 2020
<b>Hervé Andorre*</b> <sup>(1)</sup> (Director representing employees since May 26, 2020)	47,000	23,709	23,709	-
<b>Xavier Cauchois</b>	100,750	82,750	82,750	57,200
<b>Jean-Pierre Chahid-Nourāi</b> (Director until May 23, 2019)	-	-	-	25,788
<b>Pascal Daloz**</b> (Director since July 22, 2020)	47,000	15,602	15,602	-
<b>Catherine Dassault</b>	47,000	40,250	40,250	31,900
<b>Laurence Daures-Lescourret</b>	113,250	90,750	90,750	57,200
<b>Arnoud De Meyer</b> (Director until May 23, 2019)	-	-	-	14,164
<b>Odile Desforges</b>	78,500	56,000	56,000	51,700
<b>Soumitra Dutta</b>	75,000	66,000	66,000	41,800
<b>Tanneguy de Fromont de Bouaille***</b> <sup>(2)</sup> (director representing employees)	47,000	38,000	38,000	33,000
<b>Marie-Hélène Habert-Dassault</b> <sup>(3)</sup>	44,750	40,250	40,250	33,000
<b>Toshiko Mori</b>	44,750	42,500	42,500	38,500
<b>Thibault de Tersant****</b> (Director until July 22, 2020)	-	24,648	24,648	31,900
<b>TOTAL</b>	<b>645,000</b>	<b>520,459</b>	<b>520,459</b>	<b>416,152</b>

(1) The compensation due to Hervé Andorre, director representing employees, in respect of his term of office as a Director was paid to Ensemble à DS.

(2) The compensation due to Mr. Tanneguy de Fromont de Bouaille, director representing employees, in relation to his term of office as a Director was paid to the CFE-CGC.

(3) GIMD paid Ms. Marie-Hélène Habert-Dassault, in 2021 and 2020, a compensation of €380,142 and €372,592 respectively for her role as Director of Communication and Patronage of GIMD. GIMD granted her, in 2021 and 2020, benefits in kind relating to the use of a car, valued at €1,725 for each year. GIMD paid Ms. Marie-Hélène Habert-Dassault, in 2021 and 2020, €20,000 for each year for her role as a member of the Supervisory Board of GIMD.

\* Mr. Hervé Andorre also received compensation, in 2021 and 2020, under his employment contract (fixed and variable compensation, payment related to the use of a vehicle and benefits in kind related to compulsory supplementary medical coverage).

\*\* Mr. Pascal Daloz also received compensation, in 2021 and 2020, under his employment contract (fixed and variable compensation and benefits in kind related to mandatory complementary medical coverage).

\*\*\* Mr. Tanneguy de Fromont de Bouaille also received compensation, in 2021 and 2020, under his employment contract (fixed and variable compensation and benefits in kind related to compulsory supplementary medical coverage).

\*\*\*\* Mr. Thibault de Tersant also received compensation, in 2020, under his employment contract (fixed and variable compensation and benefits in kind related to compulsory supplementary medical coverage and the use of a car provided by Dassault Systèmes SE).

(1) Mr. Pascal Daloz has been a member of the Board of Directors of Dassault Systèmes SE since July 22, 2020. He is also Chief Operating Officer.

(2) Mr. Tanneguy de Fromont de Bouaille and Mr. Hervé Andorre are directors representing employees.

**Table 4: share subscription or purchase options granted in 2021 to each executive officer by the issuer and by any of Dassault Systèmes companies**

<i>(in euros)</i>	No. and date of the plan	Type of options (purchase or subscription)	Value of the options	Number of options granted in 2021	Exercise price	Exercise period
Charles Edelstenne	-	-	-	-	-	-
Bernard Charlès	-	-	-	-	-	-
<b>TOTAL</b>		-	-	-	-	-

**Table 5: Share subscription or purchase options exercised during 2021 by each executive officer**

<i>(in euros)</i>	No. and date of the plan	Number of options exercised in 2021	Exercise price
Charles Edelstenne	-	-	-
Bernard Charlès	-	-	-
<b>TOTAL</b>		-	-

**Table 6: shares granted in 2021 to each executive officer by the issuer and by any of Dassault Systèmes companies**

	No. and date of the plan	Number of performance shares granted in 2021	Value of the shares <i>(in euros)</i> <sup>(1)</sup>	Date of acquisition	Date of availability	Performance conditions
Charles Edelstenne	-	-	-	-	-	-
Bernard Charlès	2021-B 06/29/2021	300,000 <sup>(2)</sup>	40,845,000	06/29/2023 1 <sup>st</sup> tranche 06/30/2025 2 <sup>nd</sup> tranche	06/29/2023 1 <sup>st</sup> tranche 06/30/2025 2 <sup>nd</sup> tranche	Yes
<b>TOTAL</b>		<b>300,000</b>				

(1) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and after taking into account the performance criteria.  
 (2) Such shares have been granted to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, as part of the gradual process of associating him with the Company's capital, with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world. This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.

**Table 7: Shares that became available during 2021 for each executive officer**

The "2018-B" Shares were definitively acquired at the end of the vesting period, the presence condition and the performance condition having been satisfied. As a reminder, the performance condition measured in 2021 was based on the growth in EPS achieved in 2020 compared to that achieved

in 2017. On the recommendation of the Compensation and Nomination Committee, which verified the level of achievement, the Board noted that the performance condition had been met on March 18, 2021.

	<b>No. and date of the plan</b>	<b>Number of shares that became available in 2021</b>
Bernard Charlès <sup>(1)</sup>	2018-B 05/22/2018	300,000
<b>TOTAL</b>		<b>300,000</b>

(1) Such shares have been granted to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, as part of the gradual process of associating him with the Company's capital, with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world. In accordance with law, a portion of such shares is subject to lock-up (see paragraph 5.1.3.2 "Compensation of the Chief Executive Officer"). This quantity was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.

From a general perspective, Mr. Bernard Charlès retains the Dassault Systèmes shares vested at the end of the vesting period for the allocated shares. Thus, in 2021, Mr. Bernard Charlès retained the shares vested in May 2021 (2018-B allocated in 2018).

On December 31, 2020, Mr. Bernard Charlès held 4,290,441 shares, representing 1.62% of Dassault Systèmes' share capital.

At July 7, 2021, the date of the five-for-one stock split and the correlative multiplication of the number of shares, the 4,590,441 shares held by Mr. Bernard Charlès, at this date, were multiplied by five to attain 22,952,205 shares.

On December 31, 2021, Mr. Bernard Charlès held 22,952,205 shares, representing 1.72% of Dassault Systèmes' share capital.

**Table 8: History of share subscription and purchase options granted**

See paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE" below.

**Table 9: History of performance shares granted**

See paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE" below.

**Table 10: Multi-year variable compensation granted to each executive officer**

The Table 10 "Summary of variable multi-annual compensations for each executive officer" recommended by the AFEP-MEDEF Code is not relevant as no such variable multi-annual compensations have been granted to any executive officer of Dassault Systèmes SE.

**Table 11: Monitoring of the AFEP-MEDEF's Recommendations**

As indicated in the table below, Dassault Systèmes SE complies with the main recommendations of the AFEP-MEDEF Code regarding compensation and benefits granted to executive officers.

Executive officers	Employment agreement		Additional retirement plan		Indemnities or benefits due or which may become due in the event of termination of or change in functions		Indemnities related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Charles Edelstenne</b> Chairman of the Board of Directors Director since (1st appointment):04/08/1993 Term: until the annual General Meeting to be held in 2022		X		X			X	X
<b>Bernard Charlès</b> Vice chairman of the Board and Chief Executive Officer 1st appointment as CEO (1st appointment):04/08/1993 Term: until the annual General Meeting to be held in 2022		X		X	X*			X

\* The conditions for payment and the amount of the indemnities owed are described in paragraph 5.1.3.2 "Compensation of the Chief Executive Officer".

There is no specific additional retirement plan for the corporate officers. The companies controlled by Dassault Systèmes SE have not paid any compensations, or granted any other

benefits in kind or granted shares or subscription options to the executive officers mentioned above.

## 5.1.5 Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE

The Executive team of Dassault Systèmes is given long-term incentives notably through grants of Dassault Systèmes performance shares or share subscription options to be associated with the development and performance of the Company. In general, performance shares or share subscription options may be allocated to key employees, the number granted to each of them being dependent on individual performance and level of responsibility.

In accordance with the AFEP-MEDEF Code, the Board shall endeavor to allocate the performance shares and share subscription options during identical periods, usually in May after the General Meeting of Shareholders. There may have been rare exceptions to this rule, given the recent changes in the tax and legal frameworks, or the compliance with the rules regarding knowledge of inside information by the corporate officers. This rule was complied with in 2021 with regard to executive officers, as Bernard Charlès benefited from only one performance share allocation on June 29, 2021.

### Employee Shareholding Scheme

In order to allow the implementation of an employee shareholding scheme, the General Meeting of May 26, 2021 delegated to the Board of Directors its authority to decide on an increase in the share capital of Dassault Systèmes SE of a maximum nominal amount of €1.5 million reserved (i) for the members of the company savings plans of the Company and/or its affiliated companies within the meaning of Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labor Code and (ii) for a category of beneficiaries (21st and 22nd resolutions).

On May 26, 2021 the Board of Directors used this authorization to introduce an employee shareholding scheme in 20 countries (covering nearly 98% of the workforce), which took the form of an increase of the nominal amount of the corporate share capital of €430,505, through the issuing of 4,305,050 new shares with a nominal value of €0.10 each, as confirmed by a decision of the Chief Executive Officer on January 20, 2022. This enabled employees to subscribe to a leveraged shareholding

plan with a 15% discount and offering a capital guarantee in euros (see Note 7 to the consolidated financial statements).

### Options to subscribe to Dassault Systèmes SE shares

As of December 31, 2021, there were twelve active share subscription option plans for the benefit of certain Dassault Systèmes managers and employees. The exercise price of these options was set without a discount for all the plans.

The General Meeting of May 26, 2020 authorized the Board of Directors to grant options to subscribe or to purchase Company shares for a period of 38 months, provided that the total of all outstanding options does not give a right to a number of shares representing more than 4% of Dassault Systèmes SE's share capital. The Board of Directors used this authorization to grant 451,451 share subscription options ("2021-01" options) to 618 beneficiaries on June 29, 2021. This number was multiplied by five to reach 2,257,255 share subscription options following the five-for-one stock split of the Dassault Systèmes share on July 7, 2021, the exercise of which is subject to a condition of presence and to performance conditions for each of the reference years of 2021, 2022, 2023 and 2024;

The new shares created by the exercise of options between January 1 and the date of the Annual General Meeting deciding on the allocation of profit related to the most recently completed fiscal year are entitled to receive the dividend distributed with respect to that year. As a result, the new shares are traded on the same line as the previously existing shares.

However, the new shares created as from the day after this Annual General Meeting do not have a right to receive this dividend. Those shares are temporarily listed on a second trading line until the date the shares trade ex-dividend, i.e. without the right to receive the dividend to be distributed on Dassault Systèmes shares.

The following table provides certain information on the plans in effect during 2021.



## History of share subscription and purchase options granted

(Corresponding to Table 8 of AMF Position-Recommendation No. 2021-02)

For all the grants prior to July 17, 2014, the figures in this table (options, shares and exercise price) reflect the two-for-one split of the nominal value of Dassault Systèmes shares effective on that date, and the correlative multiplication of the number of shares that may be exercised. In the same way, for all the grants prior to July 7, 2021, the figures in this table (options, shares and exercise price) reflect the five-for-one stock split

of Dassault Systèmes shares effective on that date and the correlative multiplication of the number of shares that may be exercised.

For more visibility, this table is divided into two parts: (1) plans from 2014 to 2019, and (2) plans from 2020 and 2021, the totals being mentioned in the second part for all plans.

Stock option plan	2014-01	2015-01	2016-01	2017-01	2018-01	2019-01	Total
General Meeting	05/30/2013	05/30/2013	05/26/2016	05/26/2016	05/26/2016	05/23/2019	
Board of Directors	05/26/2014	09/04/2015	05/26/2016	05/23/2017	05/22/2018	07/01/2019	
Total Number of shares to be subscribed pursuant to options exercise	3,122,250	9,827,775	9,738,925	10,251,850	9,926,005	8,161,870	See table below.
– by corporate officers	N/A	N/A	N/A	N/A	N/A	N/A	See table below.
Starting point for exercising the options	02/21/2016	09/04/2016	05/26/2017	05/23/2018	05/22/2019	05/23/2020	
Expiration date	05/25/2022	09/03/2025	05/25/2026	05/22/2027	05/21/2028	05/22/2029	
Exercise price ( <i>in euros</i> )	9.10	12.40	13.80	16.40	22.00	28.00	
Terms of exercise	See note <sup>(1)</sup>	See note <sup>(2)</sup>	See note <sup>(3)</sup>	See note <sup>(4)</sup>	See note <sup>(5)</sup>	See note <sup>(6)</sup>	
Total number of shares subscribed pursuant to options exercised as of 12/31/2021	1,180,870	6,867,838	6,241,287	5,357,041	4,132,208	1,892,412	See table below.
Cumulative number of options canceled or lapsed as of 12/31/2021	1,880,880	1,742,505	1,727,130	1,976,215	1,295,520	861,520	See table below.
Number of options outstanding as of 12/31/2021	60,500	1,217,432	1,770,508	2,918,594	4,498,277	5,407,938	See table below.

(1) The 2014-01 options are exercisable by one-third tranches as from February 21, 2016, 2017 and 2018, respectively, provided that the beneficiary fulfills the condition of presence and the performance conditions related to the target for his or her respective brand.

(2) The 2015-01 options are exercisable by one-third tranches as from September 4, 2016, 2017 and 2018, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the diluted net earnings per share on a non-IFRS consolidated basis (hereinafter referred to as the "EPS"), and/or the achievement of the target for his or her respective brand.

(3) The 2016-01 options are exercisable by one-third tranches as from May 26, 2017, 2018 and 2019, respectively, provided that the beneficiary fulfills the condition of presence and performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

(4) The 2017-01 options are exercisable by one-third tranches as from May 23, 2018, 2019 and 2020, respectively, provided that the beneficiary fulfills the condition of presence and performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

(5) The 2018-01 options are exercisable by one-third tranches as from May 22, 2019, 2020 and 2021, respectively, provided that the beneficiary fulfills the condition of presence and performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

(6) The 2019-01 options are exercisable by one-third tranches as from May 23, 2020, 2021 and 2022, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

Stock option plan	2020-01	2020-M-01	2020-M-02	2020-M-03	2020-M-04	2021-01	Total (including the table above)
General Meeting	05/26/2020	05/23/2019	05/26/2020	05/26/2020	05/26/2020	05/26/2020	
Board of Directors	05/26/2020	03/11/2020	05/26/2020	09/23/2020	12/04/2020	06/29/2021	
Total Number of shares to be subscribed pursuant to options exercise	7,451,580	65,965	3,292,050	175,875	57,045	2,257,255	64,328,445
– by corporate officers	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Starting point for exercising the options	05/26/2021	03/31/2021	05/26/2021	09/23/2021	12/04/2021	06/29/2022	
Expiration date	05/25/2030	03/10/2030	05/25/2030	09/22/2030	12/03/2030	06/28/2031	
Exercise price ( <i>in euros</i> )	29.09	26.20	29.09	31.57	30.43	41.32	
Terms of exercise	See note <sup>(1)</sup>	See note <sup>(2)</sup>	See note <sup>(3)</sup>	See note <sup>(4)</sup>	See note <sup>(5)</sup>	See note <sup>(6)</sup>	
Total number of shares subscribed pursuant to options exercised as of 12/31/2021	460,977	9,025	446,720	6,425	9,665	-	26,604,468
Cumulative number of options canceled or lapsed as of 12/31/2021	524,590	18,055	600,615	24,900	4,835	44,590	10,701,355
Number of options outstanding as of 12/31/2021	6,466,013	38,885	2,244,715	144,550	42,545	2,212,665	27,022,622

(1) The 2020-01 options are exercisable by one-third tranches as from May 26, 2021, 2022, 2023 and 2024, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

(2) The 2020-M-01 options are exercisable by one-third tranches from March 31, 2021, 2022 and 2023, respectively, provided that the beneficiary fulfills the condition of presence and performance condition relating to the EPS (neutralized from currency effects).

(3) The 2020-M-02 options are exercisable by one-third tranches from May 26, 2021, 2022 and 2023, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects).

(4) The 2020-M-03 options are exercisable by one-third tranches from September 23, 2021, 2022 and 2023, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects).

(5) The 2020-M-04 options are exercisable by one-third tranches from December 04, 2021, 2022 and 2023, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects).

(6) The 2021-01 options are exercisable by one-third tranches as from June 29, 2022, 2023, 2024 and 2025, respectively, provided that the beneficiary fulfills the condition of presence and the performance condition relating to the EPS (neutralized from currency effects), and/or the achievement of the target for his or her respective brand.

For information regarding the dilutive effect on share capital by the exercise of options, see also paragraph 6.2.1 "Share Capital at December 31, 2021."

As of December 31, 2021, no corporate officer held share subscription options.

For information regarding the equity interests in Dassault Systèmes SE of the corporate officers, see paragraphs 5.1.1 "Composition and Practices of the Board of Directors" and 6.3 "Information about the Shareholders" in this Universal registration document.



## History of performance share allocations

(Corresponding to Table 10 of AMF Position-Recommendation No. 2021-02)

Except specific mention, for all the grants prior to July 7, 2021, the number of shares in this table reflect the five-for-one stock split of Dassault Systèmes shares effective on that date, and the correlative multiplication of the number of shares that may be acquired.

For more visibility, this table is divided into two parts: (1) the plans for allocations from 2018 to 2020 and (2) the plans for allocations from 2021, the totals being mentioned in the second part for all the plans.

Plan Number	2018-A	2019-A	2019-A2	2020-M	2020-A	Total
General Meeting	09/04/2015	09/04/2015	05/22/2018	05/22/2018	05/22/2018	
Date of the Board meeting	05/22/2018	09/25/2018	07/01/2019	05/26/2020	05/26/2020	
Total number of shares granted (before nominal split), including the number granted to:	815,730	496,700	307,615	56,721	804,966	
– to corporate officers <sup>(1)</sup>	100,000	90,000	-	-	80,000	See table below.
Thibault de Tersant	40,000	30,000	-	-	-	See table below.
Pascal Daloz	60,000	60,000	-	-	80,000	See table below.
Total number of shares granted after retreatment to reflect the five-for-one stock split of Dassault Systèmes that occurred on July 7, 2021	4,078,650	2,483,500	1,538,075	283,605	4,024,830	See table below.
Vesting date of shares	05/22/2021	05/23/2022	05/23/2022	05/26/2023	05/26/2024	
Date of end of holding period	None	None	None	None	None	
Performance conditions	Yes <sup>(2)</sup>	Yes <sup>(3)</sup>	Yes <sup>(4)</sup>	Yes <sup>(5)</sup>	Yes <sup>(6)</sup>	
Number of shares vested as of 12/31/2021	3,813,900	-	-	67,320	-	See table below.
Cumulative number of shares canceled or null and void as of 12/31/2021	264,750	26,000	51,550	-	46,315	See table below.
Performance shares remaining at the end of 2021	-	2,457,500	1,486,252	216,285	3,978,515	See table below.

(1) No 2018-A, 2019-A, 2019-A2, 2020-A, 2020-M, 2021-A, 2021-M1 and 2021-M2 performance shares were allocated to corporate officers (excluding the directors representing employees) other than Mr. Thibault de Tersant and Mr. Pascal Daloz. For share grants to Mr. Bernard Charlès, see the table below "History of share grants to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, in respect of the gradual process of associating Mr. Bernard Charlès with the Company's capital".

(2) The 2018-A shares will be fully vested at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and at least one of the following performance conditions, the achievement of which will be measured in 2021: growth in the EPS compared to 2017, and such growth must be at least equal to the percentage fixed at the Board meeting at which the shares were granted.

(3) The 2019-A shares will be fully vested at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and at least one of the following performance conditions, the achievement of which will be measured in 2022: growth in the EPS compared to 2018, and such growth must be at least equal to the percentage fixed at the Board meeting at which the shares were granted.

(4) The 2019-A2 shares will be fully vested at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and at least one of the following performance conditions, the achievement of which will be measured in 2022: growth in the EPS compared to 2018, and such growth must be at least equal to the percentage fixed at the Board meeting at which the shares were granted.

(5) The 2020-M Shares will only vest at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and the following performance condition, the achievement of which will be measured in 2023: double growth criterion for non-IFRS revenue of the MEDIDATA brand compared to that achieved in 2019 and increase in the percentage of the non-IFRS operating margin of the MEDIDATA brand compared to 2019.

(6) The 2020-A Shares will only vest at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and the following performance condition, the achievement of which will be measured in 2024: growth in EPS compared to that achieved in 2019. The Board, having allocated these shares, has set two limits: if the growth of the EPS is at least equal to the upper limit, all the shares will be vested; if this is below the lower limit, no shares will be vested. Between these two thresholds, the number of shares granted will vary linearly.

Plan Number	2021-A	2021-M1	2021-M2	Total (including the table above)
General Meeting	05/26/2021	(7)	(7)	
Date of the Board meeting	06/29/2021	06/29/2021	09/22/2021	
<i>Total number of shares granted (before nominal split), including the number granted to:</i>				
– to corporate officers <sup>(8)</sup>	741,569	175,371	-	350,000
Thibault de Tersant	-	-	-	70,000
Pascal Daloz	80,000	-	-	280,000
Total number of shares granted after retreatment to reflect the five-for-one stock split of Dassault Systèmes that occurred on July 7, 2021	3,707,845	876,855	16,982	17,010,342
Vesting date of shares	06/29/2023	06/29/2022	09/22/2022	
	1 <sup>st</sup> tranche	1 <sup>st</sup> tranche	1 <sup>st</sup> tranche	
	06/30/2025	06/29/2023	09/22/2023	
	2 <sup>nd</sup> tranche	2 <sup>nd</sup> tranche	2 <sup>nd</sup> tranche	
		07/01/2024	09/23/2024	
		3 <sup>rd</sup> tranche	3 <sup>rd</sup> tranche	
		06/30/2025	09/22/2025	
		4 <sup>nd</sup> tranche	4 <sup>nd</sup> tranche	
Date of end of holding period	None	None	None	
Performance conditions	Yes <sup>(9)</sup>	Yes <sup>(10)</sup>	Yes <sup>(11)</sup>	
Number of shares vested as of 12/31/2021	-	-	-	3,881,220
Cumulative number of shares canceled or null and void as of 12/31/2021	29,580	46,895	-	465,090
Performance shares remaining at the end of 2021	3,678,265	829,960	16,982	12,664,032

(7) Shares granted by the buyback programs authorized by the General Meeting.

(8) No 2018-A, 2019-A, 2019-A2, 2020-A, 2020-M, 2021-A, 2021-M1 and 2021-M2 performance shares were allocated to corporate officers (excluding the directors representing employees) other than Mr. Thibault de Tersant and Mr. Pascal Daloz. For share grants to Mr. Bernard Charlès, see the table below "History of share grants to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, in respect of the gradual process of associating Mr. Bernard Charlès with the Company's capital".

(9) The 2021-A Shares will only vest at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and the following performance condition, the achievement of which will be measured in 2022 and 2024 for each of the tranches: growth in EPS compared to that achieved in 2020. The Board, having allocated these shares, has set two limits: if the growth of the EPS is at least equal to the upper limit, all the shares will be vested; if this is below the lower limit, no shares will be vested. Between these two thresholds, the number of shares granted will vary linearly.

(10) The 2021-M1 Shares will only vest at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and the following performance condition, the achievement of which will be measured in each year according to a double growth criterion for the non-IFRS revenue of the MEDIDATA brand compared to that achieved in 2020 and an increase in the percentage of the non-IFRS operating margin of the MEDIDATA brand compared to 2020.

(11) The 2021-M2 Shares will only vest at the end of the vesting period, provided that the beneficiary fulfills a condition of presence and the following performance condition, the achievement of which will be measured in each year according to a double growth criterion for the non-IFRS revenue of the MEDIDATA brand compared to that achieved in 2020 and an increase in the percentage of the non-IFRS operating margin of the MEDIDATA brand compared to 2020.

### Grant of rights to receive Dassault Systèmes SE shares in replacement of rights to receive Medidata shares

As part of the acquisition of Medidata Solutions, Inc., and subject to its closing, the Board of Directors approved, on June 11, 2019, the grant of rights to receive Dassault Systèmes SE shares in replacement of the rights to receive Medidata shares that had been granted to some of its employees and executives. This grant amounts to a maximum of 1,894,649 Dassault Systèmes SE shares, corresponding to 9,473,245 shares following the five-for-one stock split of Dassault Systèmes shares that occurred on July 07, 2021, and will be definitively vested if the beneficiaries are still employees upon the expiration of the vesting periods.

The weighted average vesting period of these shares is 1.41 years from the closing date of the acquisition of Medidata, and the last vesting date of these shares is September 2023.

The weighted average grant-date fair value of the Dassault Systèmes SE shares was:

- €134.15 corresponding to €26.83 euros following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021, for equity awards which also gave right at vesting date to all dividends paid during the vesting period;
- €132.80 corresponding to €26.56 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021, for the other equity awards;

**History of share grants to Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, in respect of the gradual process of associating Bernard Charlès with the Company's capital**

(See also paragraph 5.1.3.2 "Compensation of the Chief Executive Officer")

Plan Details	2018-B	2019-B	2020-B	2021-B
General Meeting	09/04/2015	09/04/2015	05/22/2018	06/29/2021
Board of Directors	05/22/2018	09/25/2018	05/26/2020	05/26/2021
Total number of shares granted before nominal split <sup>(1)</sup>	300,000	300,000	300,000	300,000
Total number of shares granted to Bernard Charlès	1,500,000	1,500,000	1,500,000	1,500,000
Vesting date of shares	05/22/2021	05/23/2022	05/26/2024	06/29/2023 1 <sup>st</sup> tranche 06/30/2025 2 <sup>nd</sup> tranche
Date of end of holding period <sup>(2)</sup>	None	None	None	None
Performance conditions	Yes <sup>(3)</sup>	Yes <sup>(4)</sup>	Yes <sup>(5)</sup>	Yes <sup>(6)</sup>
Number of shares vested by Bernard Charlès as of 12/31/2021	1,500,000	-	-	

(1) The five-for-one stock split of Dassault Systèmes shares, and the correlative multiplication of the number of shares that may be acquired occurred on July 7, 2021.

(2) Not applicable to the shares subject to the legal lock-up commitment set by the Board of Directors (see paragraph 5.1.3.2 "Compensation of the Chief Executive Officer").

(3) Performance condition identical to the one stipulated for the 2018-A performance shares granted by the Board on the same day to certain Dassault Systèmes employees (see table above "History of performance share allocations").

(4) Performance condition identical to the one stipulated for the 2019-A performance shares granted by the Board on the same day to certain Dassault Systèmes employees (see table above "History of performance share allocations").

(5) Performance condition identical to the one stipulated for the 2020-A performance shares granted by the Board on the same day to certain Dassault Systèmes employees (see table above "History of performance share allocations").

(6) Performance condition identical to the one stipulated for the 2021-A performance shares granted by the Board on the same day to certain Dassault Systèmes employees (see table above "History of performance share allocations").

From a general perspective, Mr. Bernard Charlès retains the Dassault Systèmes shares vested at the end of the vesting period for the allocated shares. Thus, in 2021, Mr. Bernard Charlès retained the 1,500,000 shares vested in May 2021 (2018-B allocated in 2018).

On December 31, 2020, Mr. Bernard Charlès held 4,290,441 shares, representing 1.62% of Dassault Systèmes' share capital.

At July 7, 2021, the date of the five-for-one stock split and the correlative multiplication of the number of shares, the 4,590,441 shares held by Mr. Bernard Charlès, at this date, were multiplied by five to attain 22,952,205 shares.

On December 31, 2021, Mr. Bernard Charlès held 22,952,205 shares, representing 1.72% of Dassault Systèmes' share capital.

## 5.1.6 Application of the AFEP-MEDEF Code

Dassault Systèmes refers to the recommendations of the AFEP-MEDEF Code revised in January 2020 and reviews its corporate governance practices on a regular basis in order to achieve continual improvement in this area.

As permitted by such Code and the law, Dassault Systèmes SE has not adopted all of the Code's recommendations, or has adopted certain provisions in modified form, in view of its particular situation or due to its compliance with other provisions of the Code. These are summarized in the table below, together with the reasons for their exclusion/modification.

<b>Recommendations of the AFEP-MEDEF Code</b>	<b>Explanation</b>
<b>Proportion of performance shares in the compensation of executive officers</b> (Article 25.3.3)	A significant portion of the shares granted to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer, is part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, and more generally, of his peers in technology companies around the world.
<b>Appointment of the directors representing employees to the Compensation and Nomination Committee</b> (Article 18.1)	The Board of Directors considers that the composition of the Compensation and Nomination Committee, as well as the composition of all the Board Committees – 100% independent directors – is the best guarantee of its effectiveness. The Compensation and Nomination Committee's discussions are carefully reported and the Committee's recommendations are debated during the Board meetings. All directors, including the directors representing employees, have the opportunity to express their opinions on the subjects dealt with by the Committee.
<b>Number of shares that the executive officers are required to hold in registered form</b> (Article 23)	Due to Mr. Edelstenne's role as founder and his shareholding (approximately 8% of the voting rights), the Board considered that it was unnecessary to set a minimum quantity of shares to be held in registered form.

## 5.1.7 Other Information Required by Articles L. 225-37 and L. 22-10-8 et seq. of the French Commercial Code

### 5.1.7.1 Specific Conditions Related to Shareholder Participation in the General Meeting

Shareholders participate in the General Meetings of Dassault Systèmes SE in accordance with applicable law and Dassault Systèmes' by-laws (Articles 24 to 33). Thus, every shareholder has the right to participate in General Meetings and deliberations either personally or via a proxy, regardless of the number of shares held, according to the conditions specified by Article 27 of the by-laws of Dassault Systèmes

(see paragraph 6.1.2 "Memorandum and Specific By-Laws Provisions").

In 2021, in the specific context of the COVID-19 crisis, attendance at the General Meeting of Dassault Systèmes was compliant with Order 2020/1497 of December 2, 2020 and Decree 2020/1614 of December 18, 2020.

In the case of the separation of the ownership of the shares, the voting right belongs to the bare owner, except for decisions relating to the allocation of profits, where it belongs to the beneficial owner.

### 5.1.7.2 Table Summarizing the Current Delegations Granted by the General Meeting of Shareholders in respect of Capital Increases

The following table summarizes the delegations of authority and authorizations granted by the General Meeting to the Board of Directors and in effect during the 2021 fiscal year

and as of the date of this Universal registration document. It includes authorizations to increase the share capital and to buy back and cancel Dassault Systèmes' own shares.

Resolutions and General Meetings ("GM")	Description of the delegation of authority granted to the Board of Directors	Utilization in the fiscal year
<b>SHARE BUYBACKS AND CANCELLATION</b>		
12 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> purchase of Dassault Systèmes shares. <b>Duration:</b> approximately 12 months (expiring at the GM approving the financial statements for the fiscal year ending December 31, 2021). <b>Cap:</b> 5 million shares representing up to €800 million. Cannot be used during a public offering period.	See paragraph 6.2.4 "Share Buyback Programs"
13 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> cancel shares purchased under the buyback program. <b>Duration:</b> approximately 12 months (expiring at the GM approving the financial statements for the fiscal year ending December 31, 2021). <b>Cap:</b> 5% of share capital in a 24-month period.	See paragraph 6.2.4 "Share Buyback Programs"
<b>ISSUANCE OF SECURITIES</b>		
14 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the Company's share capital by issuing shares or marketable securities giving access to Dassault Systèmes SE share capital or equity securities giving right to debt securities, with the preemptive right of shareholders. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> for a maximum nominal amount of €12 million for shares or marketable securities – for a maximum nominal amount of €1 billion for debt securities. Cannot be used during a public offering period.	None
15 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the Company's share capital by issuing shares or marketable securities giving access to Dassault Systèmes SE share capital, or equity securities giving right to the allocation of debt securities, with a waiver of their preferential subscription right and by way of a public offering other than those envisaged by Article L. 411-2, 1st paragraph, of the French Monetary and Financial Code. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> for a maximum nominal amount of €12 million for shares or marketable securities – for a maximum nominal amount of €1 billion for debt securities, to be deducted from the caps set out in the 14 <sup>th</sup> resolution. Cannot be used during a public offering period.	None
16 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the Company's share capital by issuing shares or marketable securities giving access to Dassault Systèmes SE share capital, or equity securities giving right to the allocation of debt securities, under the terms of the delegation of authority referred to in the previous resolution, by way of a public offering as provided for in Article L. 411-2, 1st paragraph, of the French Monetary and Financial Code. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> for a maximum nominal amount of €12 million for shares or marketable securities – for a maximum nominal amount of €1 billion for debt securities, to be deducted from the caps set out in the 14 <sup>th</sup> resolution. Cannot be used during a public offering period.	None



Resolutions and General Meetings ("GM")	Description of the delegation of authority granted to the Board of Directors	Utilization in the fiscal year
17 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the number of marketable securities to issue in the case of a share capital increase with or without the preemptive right of shareholders. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> 15% of the initial issue, to be deducted from the cap provided for in the 14 <sup>th</sup> resolution. Cannot be used during a public offering period.	None
18 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the share capital by the incorporation of reserves, profits or premiums. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> for a maximum nominal amount of €12 million (to be deducted from the cap set out in the 14 <sup>th</sup> resolution). Cannot be used during a public offering period.	None
19 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> increase the share capital to remunerate contributions in kind of shares or equity-linked securities. <b>Duration:</b> 26 months, i.e. until 07/26/2023. <b>Cap:</b> 10% of the share capital, to be deducted from the cap provided for in the 14 <sup>th</sup> resolution. Cannot be used during a public offering period.	None
17 <sup>th</sup> and 18 <sup>th</sup> resolutions GM of 05/26/2020	<b>Authorization:</b> decide one or more mergers through absorption and consequently to increase share capital by issuing new shares. <b>Duration:</b> 26 months, i.e. until 07/26/2022. <b>Cap:</b> for a maximum nominal amount of €12 million (to be deducted from the cap set out in the 14 <sup>th</sup> resolution of the General Meeting of May 26, 2021). Cannot be used during a public offering period.	None
19 <sup>th</sup> and 20 <sup>th</sup> resolutions GM of 05/26/2020	<b>Authorization:</b> decide one or more demergers and consequently to increase the Company's share capital by issuing new shares. <b>Duration:</b> 26 months, i.e. until 07/26/2022. <b>Cap:</b> for a maximum nominal amount of €12 million (to be deducted from the cap set out in the 14 <sup>th</sup> resolution of the General Meeting of May 26, 2021). Cannot be used during a public offering period.	None
21 <sup>th</sup> and 22 <sup>th</sup> resolutions GM of 05/26/2020	<b>Authorization:</b> decide one or more partial contributions of share capital and consequently to increase the Company's share capital by issuing new shares. <b>Duration:</b> 26 months, i.e. until 07/26/2022. <b>Cap:</b> for a maximum nominal amount of €12 million (to be deducted from the cap set out in the 14 <sup>th</sup> resolution of the General Meeting of May 26, 2021). Cannot be used during a public offering period.	None
<b>ISSUANCE FOR THE BENEFIT OF EMPLOYEES AND EXECUTIVE OFFICERS</b>		
20 <sup>th</sup> resolution GM of 05/26/2021	<b>Authorization:</b> grant free shares, existing or to be issued, for the benefit of certain employees and/or corporate officers of Dassault Systèmes SE and its affiliated entities as defined in Article L. 225-197-2 of the French Commercial Code. <b>Duration:</b> approximately 24 months (expiring at the GM approving the financial statements for the fiscal year ending December 31, 2022). <b>Cap:</b> 1.5% of share capital.	Use of this authorization is described in paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE"
15 <sup>th</sup> resolution GM of 05/26/2020	<b>Authorization:</b> grant stock options giving right to subscribe to new shares or purchase existing shares for the benefit of certain employees and/or corporate officers of Dassault Systèmes SE and its affiliated entities as defined in Article L. 225-180 of the French Commercial Code. <b>Duration:</b> 38 months, i.e. until 07/26/2023. <b>Cap:</b> 4% of share capital.	Use of this authorization is described in paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE"

Resolutions and General Meetings ("GM")	Description of the delegation of authority granted to the Board of Directors	Utilization in the fiscal year
21 <sup>st</sup> resolution GM of 05/26/2021	<p><b>Authorization:</b> increase the share capital for the benefit of members of a company savings plan of Dassault Systèmes SE and/or its affiliated entities.</p> <p><b>Duration:</b> 26 months, i.e. until 07/26/2023.</p> <p><b>Cap:</b> for a maximum nominal amount of €1.5 million (to be deducted from the cap set out in the 14<sup>th</sup> resolution).</p>	Use of this authorization is described in paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE"
22 <sup>nd</sup> resolution GM of 05/26/2021	<p><b>Authorization:</b> increase the Company's share capital in favor of a category of beneficiaries.</p> <p><b>Duration:</b> 18 months, i.e. until 11/26/2022.</p> <p><b>Cap:</b> for a maximum nominal amount of €1.5 million (to be deducted from the cap set out in the 14<sup>th</sup> resolution).</p>	Use of this authorization is described in paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE"
It is proposed to the General Meeting among other resolutions (see paragraph 7.1 "Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022"):	<ul style="list-style-type: none"> <li>to renew the authorizations to purchase Dassault Systèmes shares and to cancel these purchased shares, which expire on May 19, 2022 (see paragraph 6.2.4.2 "Description of the Share Buyback Program Proposed to the General Meeting on May 19, 2022");</li> </ul>	<ul style="list-style-type: none"> <li>to renew the delegation of powers granted to the Board of Directors to decide one or more mergers through absorption and consequently to increase the Company's share capital by issuing new shares, which expire on July 26, 2022;</li> <li>in order to allow for the introduction of an employee shareholding scheme, two new authorizations allowing for an increase in the Company's share capital reserved for members of company savings plans and a specific category of beneficiaries, which will replace the authorizations currently in force.</li> </ul>

### 5.1.7.3 Draft Resolutions Prepared by the Board pursuant to the General Meeting Vote on the Compensation Policy

The draft resolution in respect of the vote on the compensation policy is set out in paragraph 7.2 "Text of the Draft Resolutions Proposed by the Board of Directors to the General Meeting on May 19, 2022."

### 5.1.7.4 Possible Consequences in case of a Public Tender Offer

The information required by Article L. 22-10-11 of the French Commercial Code is contained in paragraphs 6.3 "Information about the Shareholders" (concerning control of GIMD), 6.1.2.3 "Shares and Voting Rights" (concerning the conditions for exercising voting rights) and 5.1.3.2 "Compensation of the Chief Executive Officer" of this Universal registration document.

This Universal registration document is available on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and on the Dassault Systèmes website ([www.3ds.com](http://www.3ds.com)). A press release is issued to announce when the Universal registration document becomes available.

Under the credit agreement executed on June 11, 2019, if a person or a group of persons acting in concert (with the exception of GIMD and/or Mr. Charles Edelstenne) takes control (within the meaning of Article L. 233-3 I 1st and 2nd paragraphs and II of the French Commercial Code) of Dassault Systèmes, the early repayment of the financing arranged for the acquisition of Medidata Solutions, Inc. may be requested by the lenders. Specifically, in the event of such a change of control, any lender participating in (i) the €500 million and US\$530 million loans or (ii) the €750 million revolving credit facility, may request the cancellation of its entire commitment in respect of the facility and the immediate repayment of its share of all outstanding advances. As of December 31, 2021, (i) the amounts remaining to be reimbursed in relation to the loans total €100 million and US\$150 million, and (ii) the revolving credit facility has not been drawn upon (see paragraph 1.4.3 "Material Contracts").

In addition, if such a change of control results in a rating downgrade, below investment grade, for the bonds issued by Dassault Systèmes on September 16, 2019 for a total of €3.65 billion, bondholders may request the redemption at par of the bonds they hold.

### 5.1.7.5 Gender Equality within the Executive Team and Top Positions of Responsibility

Dassault Systèmes has a strong ambition in terms of gender equality, including within the Executive team and top positions of responsibility.

Initiatives are thus spearheaded within the Company in favor of women's recruitment, the ability to hire more female engineers being however very limited as they are under-represented in engineering schools and the high-tech sector. Initiatives are also spearheaded in order to understand their specific needs and to encourage a diversity of professional experiences, as well as to support the process of successfully assuming responsibilities.

The internal community 3DS WIN (Women Initiative), established in 2012, is a network of women and men who are taking action to encourage a diversity of profiles in the Company and within university environments, and more generally to promote equality and diversity to create a more inclusive and sustainable society. This community currently has over 1,500 members worldwide. In France, nearly 500 3DS WINners are working together to attract and recruit new female talent, to inspire and recognize women while enabling them to accelerate their career development. In 2021, Dassault Systèmes exemplified its commitment by taking part in major events such as the *Colloque du Cercle InterElles* and the "Les Margaret" Awards initiated by the *Journée de la Femme Digitale* ("JFD"). The Company also offered a number of friendly and meaningful events to its employees, through internal and external conferences such as the WIN Virtual Talks, and contributed to inspiring future generations through the participation of Florence Hu-Aubigny, Executive Vice-President, Research & Development, in the book *Elles changent le monde* ("They're changing the world") (see paragraph 2.3.5 "Promoting Diversity and Inclusion").

Moreover, the proportion of women on the Executive team is currently 38.5%, compared with 22% in 2019, and Dassault Systèmes SE has set the objective of maintaining a proportion of women of approximately 40%. (see paragraph 5.1.2 "Executives of Dassault Systèmes"). Dassault Systèmes is thus ranked 8<sup>th</sup> in the SBF 120 index for the number of women executives.

At the level of Dassault Systèmes SE, the proportion of women in the top 10% of positions with responsibility is monitored on the basis of targets assessed annually. The proportion of women currently occupying such positions stands at 30%.

#### **5.1.7.6 Procedure for Evaluating Related-Party Agreements**

At its meeting on March 11, 2020, the Board of Directors adopted a procedure for classifying related-party agreements, subjecting them, where appropriate, to the regulated agreements procedure and, for routine transactions entered into at arm's length, regularly assessing whether they satisfy those conditions.

The Legal Department, with the support of the Financial Department, is thus responsible for reviewing prior to its conclusion, and in the event of its amendment, renewal or extension, any agreement entered into by Dassault Systèmes SE and a related party (as provided for in Article L. 225-38 of the French Commercial Code) and conducts an annual review of standard agreements entered into at arm's length, during the last fiscal year or earlier, as long as their effects continue.

The results of the assessment of non-regulated agreements are presented to the Board's Audit Committee which decides upon it.

In early 2022, the Legal Department thus carried out a comprehensive review of related-party agreements considered to be routine transactions entered into at arm's length and concluded that all such agreements continue to satisfy both of these conditions.

#### **5.1.7.7 Agreements with a Company Controlled by Dassault Systèmes SE**

No agreement was entered into directly or by an intermediary person between, on the one hand, one of Dassault Systèmes SE's corporate officers or shareholders owning more than 10% of voting rights and, on the other hand, a company controlled by Dassault Systèmes SE.

**Charles Edelstenne**  
Chairman of the Board of Directors

## 5.2 Internal Control Procedures and Risk Management

### 5.2.1 Definition and Objectives of Internal Control

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According to the COSO accounting basis, internal control is a process implemented by the Board of Directors, managers and employees aimed at providing a reasonable guarantee with regard to achieving the following objectives: performing and optimizing operations, the reliability of financial and accounting information, and compliance with the laws and regulations in force.

The internal control procedures within Dassault Systèmes, whether at the level of Dassault Systèmes SE or its subsidiaries, are designed to:

- improve the performance and efficiency of operations through optimized use of available resources (an objective inspired by the COSO framework);
- ensure the reliability, quality and availability of financial data (an objective inspired by the COSO and AMF frameworks);
- ensure that operations comply with legislation in effect and Dassault Systèmes' internal procedures (an objective inspired by the COSO and AMF frameworks);
- guarantee the security of assets, particularly intellectual property, the human and financial resources and the image of Dassault Systèmes (an objective inspired by the AMF framework);
- prevent risks of error or fraud (an objective inspired by the COSO and AMF frameworks).

### 5.2.2 Internal Control Participants and Organization

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All corporate governance bodies participate in the implementation of the internal control processes.

In 1996, the Board of Directors, concerned with the issue of internal control, created an Audit Committee, with the mission described above (see paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees").

The internal control is also based on the principle of giving responsibility to each of the departments and subsidiaries of Dassault Systèmes, in its respective area of expertise, and on delegations of powers to certain members of the Operations Executive Committee of Dassault Systèmes, such delegations having specific fields of application.

- the subsidiaries' local chief executive and financial officers are responsible for preparing the subsidiaries' financial statements which are included in Dassault Systèmes' consolidated financial statements and the annual financial statements and management reports for each of their respective subsidiaries, whether the accounts are prepared by their own financial teams or by shared internal financial and accounting services centers located particularly in France, the United States, Japan, and Malaysia;
- Dassault Systèmes' Financial Planning and Analysis department is responsible for directing the financial objectives of Dassault Systèmes in accordance with budget monitoring procedures and, in this respect, performs specific controls and analyzes of the quarterly accounts. It is also responsible for identifying, analyzing and warning of any differences from the previous year, the previous quarter and Dassault Systèmes' budget objectives, which are subject to a quarterly update;
- the Internal Audit department, reporting to the Dassault Systèmes Financial Department on the one hand and to the Audit Committee on the other hand, has the main mission of evaluating the relevance of Dassault Systèmes' internal control processes, of alerting the management and the Audit Committee regarding possible deficiencies or risks, and of proposing measures that will limit the risks and improve the efficiency of operations. The Internal Audit department also has the responsibility for the annual assessment, on behalf of the management, of the internal control mechanisms related to financial reporting;
- the team in charge of Business Ethics and Compliance, reporting to the Legal Department, is responsible for ensuring the implementation of and respect for the principles described in the Code of Business Conduct of Dassault Systèmes (the "Code of Business Conduct"), as well as Dassault Systèmes' specific policies, recommendations and procedures regarding ethics and compliance. This Department is supported by an Ethics Committee which meets every month and investigates any alleged non-conformities brought to its knowledge, in particular through the whistleblowing procedure.

In parallel, Dassault Systèmes' senior management has established the following bodies:

- a Disclosure Committee, responsible for deciding whether certain information is considered inside information and if the publication of such information may be deferred, ensuring compliance with the conditions allowing a deferral of publication, documenting it and informing the French Financial Markets Authority (AMF) at the time of publication;
- an Insider Committee responsible for setting and applying the rules aimed at preventing insider trading. In particular, this Committee informs all interested parties (employees, directors, consultants, etc.) of the periods in which they are prohibited from trading Dassault Systèmes securities. These blackout periods are longer than those set forth by law. In addition, as soon as they have regular access to privileged and insider information in relation to their roles, all persons must obtain the Insider Committee's prior approval for any transactions involving Dassault Systèmes' securities (as defined in its Insider Trading Rules). Dassault Systèmes complies with legal and regulatory provisions regarding the prevention of insider trading on a general basis.

### 5.2.3 Internal Control and Risk Management Procedures

The internal control mechanisms developed by Dassault Systèmes promote internal control in the following areas:

- control environment: Dassault Systèmes' business ethics rules are formalized in particular in the Code of Business Conduct, a new version of which was rolled out in 2020. It describes the manner in which the Company expects its business to be conducted, and is intended to serve as a reference for all Dassault Systèmes employees to guide their behavior and interactions in their daily activities (see paragraph 2.6.1 "Promoting Strong Business Ethics"). The Code of Business Conduct, which applies to all employees of Dassault Systèmes and is available on Dassault Systèmes' website and internal platform, addresses, in particular (i) compliance with regulations applicable to Dassault Systèmes' business, (ii) individual interactions within Dassault Systèmes and with its ecosystem and (iii) protecting Dassault Systèmes' assets (in particular, its intellectual property and that of its clients and partners). The Code also includes specific policies, procedures and recommendations concerning the fight against corruption and influence-peddling, personal data protection, export embargoes, conflicts of interest, and insider trading. The distribution of these policies is accompanied by training, which is specifically provided to any new employee and to employees joining Dassault Systèmes as part of the integration process for the Company's acquisitions;
- in terms of risk analysis, the main risks which may impact the performance of the company are identified, assessed and regularly reviewed by Dassault Systèmes management. These risks, after taking into account risk management policies, are described in paragraphs 1.9.1 "Risks related to the Business" and 1.9.2 "Financial and Market Risks."
- Operational risks are essentially managed by subsidiaries. Certain risks, particularly in the area of intellectual property protection, ethics and compliance, and legal and financial risks are specifically monitored by Dassault Systèmes SE in addition to their monitoring at local level:
  - protection and monitoring activities:
    - protecting its intellectual property is an ongoing concern for Dassault Systèmes. This protection is ensured by implementing and monitoring corporate processes designed to verify Dassault Systèmes rights before it markets its software products. Dassault Systèmes also protects its inventions through a reasonable and well-considered approach to filing patents in several jurisdictions. Dassault Systèmes principal brands are also registered in a large number of countries. The Company is continuing to actively develop its program designed to fight against infringement concerning its products,
    - information systems security, which is critical to ensuring the protection of the source codes for Dassault Systèmes applications and its data as well as those of its customers, is continually evaluated, tested and strengthened in the areas of network access or performance, anti-virus protection and the physical security of servers and other information system facilities,
    - the implementation of internal preventive measures to continue operations and limit the impact of a major incident. As a result, several secured computer systems protect source codes and all electronic data stored on the servers, work stations and laptop computers used in the different entities of Dassault Systèmes. The computer protection systems are maintained in different sites,

- the internal control policies related to the main processes within the Company (information technology security, sales administration, human resources, protection of intellectual property, closing and publication of financial statements, treasury management and client credit risk management) are formalized and updated at the level of both Dassault Systèmes SE and its main subsidiaries or the related shared services centers,
- key control points making it possible to prevent or detect risks impacting the financial information in Dassault Systèmes' significant entities are documented;
- monitoring: Dassault Systèmes has rolled out processes to monitor, review and analyze on a regular basis its performance at the level of its main entities, brands, distribution channels and geographical areas (governance, budget reviews, and activity reviews). In addition, quarterly communication meetings are also held to ensure a better dissemination of Dassault Systèmes strategy to all its employees and discussions facilitating its implementation;
- audit missions: In 2021, the Internal Audit department carried out different missions within Dassault Systèmes' subsidiaries to verify compliance of the local internal control procedures with Dassault Systèmes objectives. These missions, authorized by the Audit Committee, result in the issuance of recommendations to the local executive teams and the implementation of action plans when deemed necessary to reinforce the audited processes and organizations. The Internal Audit department carries out a review of the implementation of these plans.

## 5.2.4 Internal Control Procedures Relating to the Preparation and Treatment of Financial and Accounting Information

With respect to the internal control processes related to the preparation of financial and accounting information, Dassault Systèmes' focus has been to:

- **implement a quarterly control system to update budget objectives** and identify and analyze any variation from the objectives set by the Financial Department of Dassault Systèmes, and from the previous quarter and fiscal year.

Thus, each of the organizations (geographic regions, brands, functions) prepares a detailed and documented presentation of its sales activity for the past quarter and the year and performs a comparative analysis of its financial results (revenues and costs) in comparison with the budget targets of the current year and compared to the same quarter for the previous year.

Budget projections are reviewed, analyzed and updated each quarter by the executive teams of the Financial Department to take into account all changes in the market and the economic environment, particularly as regards exchange rates, and to present realistic objectives to shareholders and financial markets;

- **improve the reliability of its consolidation tools and processes** in order to establish and publish required financial information every quarter as soon as possible. The consolidation procedure as defined by Dassault Systèmes SE is based on:
  - giving responsibility to the chief financial officers in the subsidiaries, who are required to certify the quarterly statements transmitted to Dassault Systèmes SE and to

provide detailed business reviews and analyses before the accounts are consolidated,

- the use of consolidation tools that make data transmission and processing secure and allow the elimination of intra-group transactions,
- standardization of processes and information systems, particularly with respect to centralizing and recording most of the transactions at shared service centers,
- the implementation of an annual process to monitor off-balance sheet commitments and related-party agreements,
- a detailed review by Dassault Systèmes' Financial Division of the quarterly accounts of Dassault Systèmes SE and its subsidiaries,
- the detailed analysis by Dassault Systèmes' Accounting Department of all the material software license and/or service transactions in order to validate their correct accounting recognition;
- **systematize the processes by which the Audit Committee and the Board of Directors review financial information** prior to publication;
- **structure its financial communications** to ensure simultaneous and equivalent publication of information on its principal markets of financial results or any other information that could have an impact on the price of its shares.

## 5.2.5 Evaluation of Internal Control

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The Company's management seeks to maintain a high level of internal control within Dassault Systèmes. Detailed assessment work (particularly on key control points) was therefore carried out in 2021 by the Internal Audit department, as part of the process of achieving continuous improvement and for the purpose of preparing targeted action plans and audits. In this respect, the scope of Dassault Systèmes entities subjected to internal control evaluations, in the form of self-evaluation

questionnaires and internal control reviews conducted in the months immediately following acquisition may be expanded to entities that had previously been considered immaterial and to newly acquired companies. The results of the evaluation of the internal control are presented to the Audit Committee. In addition, internal control's efficiency is assessed by the Statutory Auditors as part of their annual mission.

## 5.2.6 Limitations of Internal Control

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The internal control system cannot provide an absolute guarantee that Dassault Systèmes' objectives in this area will be achieved. Inherent limitations apply to all internal control systems, related in particular to the exercise of individual judgments, or dysfunctions which may occur as a result of

human failure, a simple error or due to the uncertainties linked to events external to Dassault Systèmes.



## 5.3 Transactions in Dassault Systèmes shares by the Management of Dassault Systèmes

Pursuant to Article 223-26 of the French Financial Markets Authority (AMF) General Regulation, the table below shows transactions involving marketable securities issued by Dassault Systèmes carried out in 2021 by directors or executives of

Dassault Systèmes or by persons related to them (according to Article L. 621-18-2 of the French Monetary and Financial Code) on the basis of the declarations made by the relevant parties to the AMF, available on [www.amf-france.org](http://www.amf-france.org).

Date Place	Person concerned	Nature of the transaction	Unit price (in euros)	Volume
02/05/2021 Euronext Paris	Hervé Andorre	Sale of shares	186.4000	425
02/08/2021 Euronext Paris	Philippe Laufer	Sale of shares	184.5862	9,000
02/08/2021 Euronext Paris	Thibault de Tersant	Sale of shares	186.2954	10,000
02/11/2021 Euronext Paris	Laurence Barthès	Sale of shares	190.2500	800
05/20/2020 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	6.8400	10,500
10/29/2020 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	3.8596	11,500
02/22/2021 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	4.7150	9,000
02/23/2021 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	4.9850	9,300
02/24/2021 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	4.9205	9,200
03/04/2021 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	5.0200	9,500
03/10/2021 OTC	Legal entity related to Charles Edelstenne (GIMD)	Assignment of put options	4.8409	9,200
03/11/2021 Euronext Paris	Laurence Lescourret	Acquisition of shares	176.9132	186
04/30/2021 Euronext Paris	Thibault de Tersant	Sale of shares	192.4828	10,000
05/03/2021 Euronext Paris	Laurence Barthès	Sale of shares	193.2500	600
05/03/2021 Euronext Paris	Laurence Barthès	Sale of shares	193.9000	600
05/03/2021 Euronext Paris	Laurence Barthès	Sale of shares	193.1500	1,666
05/20/2021 Off-trading platform	Laurence Barthès	Donation of shares	0.0000	1,094
05/20/2021 Off-trading platform	Laurence Barthès	Donation of shares	0.0000	1,094
05/20/2021 Off-trading platform	Persons associated with Laurence Barthès (Thimothée Baucher)	Shares received as donations	0.0000	1,094

<b>Date Place</b>	<b>Person concerned</b>	<b>Nature of the transaction</b>	<b>Unit price</b> <i>(in euros)</i>	<b>Volume</b>
05/20/2021 Off-trading platform	Persons associated with Laurence Barthès (Juliette Baucher)	Shares received as donations	0.0000	1,094
05/22/2021 Off-trading platform	Bernard Charlès	Acquisition of shares	0.0000	300,000
05/22/2021 Off-trading platform	Pascal Daloz	Acquisition of shares	0.0000	60,000
05/22/2021 Off-trading platform	Dominique Florack	Acquisition of shares	0.0000	70,000
05/22/2021 Off-trading platform	Olivier Ribet	Acquisition of shares	0.0000	5,000
05/22/2021 Off-trading platform	Thibault de Tersant	Acquisition of shares	0.0000	40,000
05/22/2021 Off-trading platform	Philippe Laufer	Acquisition of shares	0.0000	20,000
05/22/2021 Off-trading platform	Florence Verzelen	Acquisition of shares	0.0000	15,000
05/22/2021 Off-trading platform	Florence Hu-Aubigny	Acquisition of shares	0.0000	20,000
05/22/2021 Off-trading platform	Samson Khaou	Acquisition of shares	0.0000	1,800
05/22/2021 Off-trading platform	Hervé Andorre	Acquisition of shares	0.0000	2,000
05/22/2021 Off-trading platform	Laurence Barthès	Acquisition of shares	0.0000	20,000
05/22/2021 Off-trading platform	Elisa Prisner-Levyne	Acquisition of shares	0.0000	1,200
05/24/2021 Off-trading platform	Erik Swedberg	Exercisability of stock options	0.0000	1810
05/24/2021 Off-trading platform	Erik Swedberg	Exercisability of stock options	126.4420	1810
05/26/2021 Off-trading platform	Erik Swedberg	Exercisability of stock options	0.0000	17,500
05/26/2021 Off-trading platform	Erik Swedberg	Exercisability of stock options	145.4500	17,500
05/28/2021 Euronext Paris	Catherine Dassault	Acquisition of shares	187.6503	10,638
06/09/2021 Over-the-counter	Legal entity related to Charles Edelstenne (GIMD)	Financing backed by Dassault Systèmes shares	0.0000	0
07/29/2021 Euronext Paris	Thibault de Tersant	Sale of shares	46.0620	50,000
08/05/2021 Off-trading platform	Erik Swedberg	Exercising of a call option	23.5551	25,670
08/05/2021 Euronext Paris	Erik Swedberg	Sale of shares	48.1089	25,670
09/07/2021 Euronext Paris	Catherine Dassault	Acquisition of shares	49.2548	30,105

<b>Date Place</b>	<b>Person concerned</b>	<b>Nature of the transaction</b>	<b>Unit price (in euros)</b>	<b>Volume</b>
09/08/2021 Euronext Paris	Catherine Dassault	Acquisition of shares	48.4721	38,610
09/08/2021 Over-the-counter	Legal entity related to Charles Edelstenne (GIMD)	Pledge of a securities account	48.555010,596,027	
09/09/2021 Euronext Paris	Hervé Andorre	Sale of shares	49.0350	500
10/12/2021 Over-the-counter	Persons associated with Charles Edelstenne (GIMD <sup>(1)</sup> )	Pledge of Shares	43.7650	2,976,532
11/02/2021 Euronext Paris	Florence Hu-Aubigny	Sale of shares	50.9845	20,000

From a general perspective, Mr. Bernard Charlès retains Dassault Systèmes shares acquired either, if applicable, from the exercise of share subscription options or, at the end of the vesting period for the allocated shares. Thus, in 2021, Mr. Bernard Charlès retained the 300,000 shares acquired in May 2021 (granted in 2018).

On December 31, 2020, he held 4,290,441 shares, representing 1.62% of Dassault Systèmes' share capital.

At July 7, 2021, the date of the five-for-one stock split and the correlative multiplication of the number of shares, the 4,590,441 shares held by Mr. Bernard Charlès were multiplied by five to attain 22,952,205 shares.

On December 31, 2021, Mr. Bernard Charlès held 22,952,205 shares, representing 1.72% of Dassault Systèmes' share capital.

(1) This transaction was the subject of a rectifying declaration made to the AMF (French Financial Markets Authority) on February 3, 2022.

**Transactions carried out by GIMD, a legal entity related to Charles Edelstenne, Chairman of the Board of Directors, and to Marie-Hélène Habert-Dassault, Director**

<b>Date Place</b>	<b>Nature of the transaction</b>	<b>Unit price (in euros)</b>	<b>Volume</b>
05/20/2020 OTC	Assignment of put options	6.8400	10,500
10/29/2020 OTC	Assignment of put options	3.8596	11,500
02/22/2021 OTC	Assignment of put options	4.7150	9,000
02/23/2021 OTC	Assignment of put options	4.9850	9,300
02/24/2021 OTC	Assignment of put options	4.9205	9,200
03/04/2021 OTC	Assignment of put options	5.0200	9,500
03/10/2021 OTC	Assignment of put options	4.8409	9,200
06/09/2021 Over-the-counter	Financing backed by Dassault Systèmes shares	0.0000	0
09/08/2021 Over-the-counter	Pledge of a securities account	48.5550	10,596,027
10/12/2021 Over-the-counter	Pledge of shares <sup>(1)</sup>	43.7650	2,976,532

(1) This transaction was the subject of a rectifying declaration made to the AMF (French Financial Markets Authority) on February 3, 2022.

## 5.4 Information on the Statutory Auditors

### Principal Statutory Auditors

PricewaterhouseCoopers Audit, member of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, 63, rue de Villiers – 92200 Neuilly-sur-Seine, France, represented by Thierry Leroux, whose first mandate began on June 8, 2005 and was renewed on May 23, 2017 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2022.

Ernst & Young et Autres, member of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, 1/2, place des Saisons – 92400 Courbevoie – Paris-La Défense 1, represented by Nour-Eddine Zanouda, whose first mandate began on May 27, 2010 and was renewed on May 26, 2016 for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2021. It is proposed at the General Meeting of May 19, 2022 to appoint KPMG S.A., member of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, Tour Eqho, 2 avenue Gambetta –

92066 Paris-La Défense Cedex, represented by Jacques Pierre and Xavier Niffle, as principal Statutory Auditors, to replace Ernst & Young et Autres, for a period of six fiscal years expiring at the General Meeting approving the financial statements for the fiscal year ending on December 31, 2027 (see paragraph 7.1 “Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022”).

### Deputy Statutory Auditors

The mandate of the company Auditex, whose registered office is at 1/2, place des Saisons – 92400 Courbevoie – Paris La-Défense 1, which was renewed on May 26, 2016, will expire at the General Meeting approving the financial statements for the fiscal year ending on December 31, 2021. The renewal of this mandate is not proposed by the Board of Directors.

### Statutory Auditors’ fees and services

See Note 26 to the consolidated financial statements.

## 5.5 Declarations Regarding the Administrative and Management Bodies

To Dassault Systèmes SE’s knowledge:

- there is no family relationship between the directors, or between a director and an executive of Dassault Systèmes (see paragraph 5.1.2 above for the list of members) with the exception of Ms. Marie-Hélène Habert-Dassault and her sister-in-law Ms. Catherine Dassault;
- in the past five years, none of the directors or executives of Dassault Systèmes:
  - has been convicted of fraudulent offenses,
  - has been affected by the bankruptcy, receivership, liquidations or placing under administration of a company,
  - has been subject to an official accusation and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of any issuer;
- there is no potential conflict of interest between the duties of the directors toward Dassault Systèmes and their private interests and/or other duties, and no director or executive of Dassault Systèmes has been selected as a member of an administrative or management body by virtue of an agreement with major shareholders, customers, suppliers or others;
- no director or executive of Dassault Systèmes is party to a service contract with Dassault Systèmes SE, or one of its subsidiaries, which provides him or her with a personal benefit.



# 6

## INFORMATION ABOUT DASSAULT SYSTÈMES SE, THE SHARE CAPITAL AND THE OWNERSHIP STRUCTURE

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## 6.1 Information about Dassault Systèmes SE

### 6.1.1 General Information

#### 6.1.1.1 Commercial Name and Registered Office

Dassault Systèmes

10 rue Marcel Dassault, 78140 Vélizy-Villacoublay, France

Telephone: +33 (0)1 61 62 61 62

Website: [www.3ds.com](http://www.3ds.com). It is specified that the information on Dassault Systèmes' website is not part of this Universal registration document with the exception of that expressly incorporated by reference in this Universal registration document. As such, this information has not been reviewed or approved by the AMF.

#### 6.1.1.2 Legal form – Applicable Law – Place of Registration and Registration Number – APE Code

Dassault Systèmes SE is a European company (*Societas Europaea*) incorporated and registered under French law, with a Board of Directors, governed by the provisions of Council Regulation (EC) no. 2157/2001 as well as by French legislative and regulatory provisions in force at any time (hereinafter the "Law"). It is registered with the Versailles trade and companies registry under number 322 306 440. Its APE code is 5829 C. Its LEI code is: 96950065LBWYOAPQIM86.

#### 6.1.1.3 Date of Incorporation and Term

Dassault Systèmes SE was incorporated as a limited liability company (*société à responsabilité limitée*) on June 9, 1981 for a 99-year term starting on the date of its registration, until August 4, 2080. It was transformed into a public limited liability company (*société anonyme*) on April 8, 1993 and then into a European company (*Societas Europaea*) on June 15, 2015.

#### 6.1.1.4 Corporate Purpose

Pursuant to Article 2 of its by-laws, Dassault Systèmes SE's corporate purpose, in France and abroad, is:

- the design, development, production, marketing, purchase, sale, brokerage, rental, maintenance and provision of after-sale services of software, digital content and/or computer hardware;
- the supply and provision of services of data centers, including the supply of online software solutions as a

service and the operation and supply of the corresponding infrastructure;

- the supply and provision of services to users notably in the area of training, demonstration, methodology, display and utilization; and
- the supply and sale of computer resources, together or separate from the supply or sale of software or services, notably in the areas of 3D design, modeling, simulation, manufacturing, planning, collaboration, lifecycle management, business intelligence, marketing or consumer 3D solutions in the domains of products, nature and life.

The purpose of Dassault Systèmes SE also includes:

- the creation, acquisition, rental and management-lease of any on-going business, the signing of leases, and the establishment and operation of any facilities;
- the acquisition, operation or sale of any industrial or intellectual property rights as well as any know-how in the field of computers;
- and more generally, taking an interest in any business or company created or to be created as well as in any legal, economic, financial, industrial, civil and commercial, personal or real property transactions connected directly or indirectly, in whole or in part, with the purposes above or any similar or related purposes.

#### 6.1.1.5 Fiscal Year

The 12-month fiscal year covers the period from January 1 to December 31 of each year.

#### 6.1.1.6 Branches, Secondary Establishments

Dassault Systèmes SE has no branch. Dassault Systèmes SE has 14 secondary establishments as of December 31, 2021, located at the following addresses:

- 5C Route de Saint-Laurent, 76480 Saint-Romain-de-Colbosc;
- ZAC du Bois de Côtes – 304 Route National 6, 69760 Limonest;
- 5 rue de l'Halbrane – Technocampus Océan – ZAC Croix Rouge, 44340 Bouguenais;
- 15 rue Claude Chappe, bâtiment B – Zac des Champs blancs, 35510 Cesson-Sevigné;



- Rue Evariste Galois – ZAC St-Philippe II, lot 24 – Quartier des Lucioles, 06410 Biot;
- 10 Place de la Madeleine, 75008 Paris;
- 20 Boulevard Eugène Deruelle, bâtiment A – Immeuble Le Britannia, 69003 Lyon;
- 35 rue Haroun Tazieff – Immeuble Ecoparc Océanais 1 B, 54320 Maxéville;
- 53 avenue de l'Europe, 13090 Aix-en-Provence;
- 1-3 rue Jeanne Braconnier – Immeuble Terre Europa, 92360 Meudon;
- 120 rue René Descartes, 29280 Plouzané;
- 37 Chemin des Ramassiers – ZAC des Ramassiers, 31770 Colomiers;

- 1 Allée Lavoisier, 59650 Villeneuve d'Ascq;
- 18 Chemin de Malacher, Immeuble Le Signal, 38240 Meylan.

### 6.1.1.7 Documents on Display

Dassault Systèmes SE's by-laws, minutes of the General Meetings and Board of Directors' reports to the General Meetings, reports of the Statutory Auditors, financial statements for the last three years and, more generally, all documents provided or made available to shareholders pursuant to the Law may be viewed at Dassault Systèmes SE's registered office.

Some of these documents are also available on Dassault Systèmes' website (<https://investor.3ds.com/>).

## 6.1.2 Memorandum and Specific By-Laws Provisions

The by-laws of Dassault Systèmes SE were last amended on January 20, 2022.

### 6.1.2.1 Allocation of Profits (Article 36 of the by-laws)

The profits for each year, less any losses from prior periods, where appropriate, are first allocated to the reserves as required by Law. An amount of 5% is deducted to form the legal reserve fund. This deduction ceases to be compulsory when said fund reaches one-tenth of share capital; it becomes compulsory once again when the legal reserve falls below this amount.

The distributable profit is composed of the profit from the year less any losses from prior periods as well as the amounts allocated to reserves as required by Law or the by-laws, and increased by retained earnings.

The General Meeting then deducts from this distributable profit the amounts deemed appropriate to allocate to any optional, ordinary or special reserves or to the retained earnings account.

As appropriate, any remaining balance is distributed to all shares proportionately to the unredeemed paid-up value.

However, except in the event of a share capital reduction, no distribution can be made to shareholders if the equity is, or would be as a result of the distribution, less than the amount of the share capital plus the reserves that cannot be distributed under the Law or the by-laws.

The General Meeting may decide to distribute amounts taken from available reserves, either to pay or increase a dividend, or distribute a special dividend. In this case, the resolution explicitly identifies from which reserves these amounts are to be withdrawn. Nevertheless, the dividends are distributed in order of priority starting with the distributable profit of the year.

After the approval of the financial statements by the General Meeting, any losses are recorded in a special account and carried forward against the profits of future years, until they have been eliminated.

In case of stripping of the ownership of the shares, Article 11 of the by-laws reserves for beneficial owners the right to vote on decisions relating to the allocation of profits (see paragraph 6.1.2.3 "Shares and Voting Rights").

### 6.1.2.2 General Meetings

#### Notice and agenda of meeting (Articles 25 and 26 of the by-laws)

General Meetings are convened by the Board of Directors or, if the Board of Directors fails to convene a General Meeting, by the Statutory Auditor(s). One or more shareholders who together hold at least 10% of the subscribed capital may also request the Board of Directors to call such General Meetings and set the agenda thereof. The request to convene the meeting shall set out the items to be put on the agenda.

Notice of the meeting is made through an announcement placed in a journal of legal notices in the department of the registered office and in the French Bulletin of required legal notices (*Bulletin des Annonces Légales Obligatoires* – BALO). Shareholders holding registered shares for at least one month from the date of the announcement are also notified of all General Meetings by letter sent by standard mail or, at their request and expense, by registered letter. The General Meeting cannot be held less than fifteen days after the announcement is published or the letter is sent to registered shareholders.

One or more shareholders, representing at least the required percentage of capital, also have the possibility of requesting that items and proposed resolutions be added to the agenda in accordance with the Law.

**Conditions for admission (Article 27 of the by-laws)**

Every shareholder has the right to participate in General Meetings either in person or by proxy, provided his/her shares are fully paid-up and:

- for holders of registered shares, that they are held in a registered account (directly or through a financial intermediary) at 12:00 AM (Paris time) on the second business day preceding the Meeting;
- for holders of shares in bearer form, that they are recorded in a bearer securities account maintained by the accredited intermediary at 12:00 AM (Paris time) on the second business day preceding the Meeting.

The registration of shares in a bearer securities account maintained by the accredited intermediary shall be validated by a shareholding certificate (*attestation de participation*) issued by the accredited intermediary to the holder of the shares. This certificate must be attached to the voting or proxy form or to the request for an admission card issued in the shareholder's name. A certificate can also be issued to a shareholder who wishes to attend in person the General Meeting and who has not received an admission card by the second business day preceding the Meeting.

Shareholders may vote by mail using a form that will be sent to them under the conditions indicated by the notice of meeting. The form, duly completed and accompanied, as the case may be, by a shareholding certificate (*attestation de participation*), must be received by Dassault Systèmes SE at least three days before the date of the General Meeting, or it will not be taken into consideration.

A shareholder may be represented by any natural person or legal entity who has been appointed as proxy, under the conditions provided by Law. The shareholders who are legal entities are represented by the natural persons duly authorized to represent them with respect to third parties or by any person to whom the power of proxy has been transferred.

A shareholder, who is a non-French resident as defined in Article 102 of the French Civil Code, may be represented at General Meetings by an accredited intermediary registered according to the provisions of the Law. Such shareholder will be considered present in calculating the quorum and the results of voting.

If the Board of Directors so decides when convening the General Meeting, any shareholder may also participate and vote at the Meeting by videoconference or by any other means of telecommunications permitting him/her to be identified and to participate effectively. Such participation must comply with the conditions and means provided for by Law. Such shareholder will be accounted for in calculating the quorum and the results of voting.

**Actions required to amend shareholders' rights (Articles 13, 31 and 32 of the by-laws)**

Only an Extraordinary General Meeting can amend shareholders' rights in compliance with the provisions of the Law.

Except as may be otherwise provided for under the provisions of the Law and with the exception of reverse share splits carried out in accordance with the Law, no majority may impose on

shareholders an increase in their commitments. If new classes of shares are created, only an Extraordinary General Meeting and a Special Meeting of Shareholders of the specific class of shares may approve an amendment to the rights of these classes of shares.

**6.1.2.3 Shares and Voting Rights****Rights, privileges and restrictions attached to each class of shares (Articles 13, 29 and 39 of the by-laws)**

All the shares are of the same class and carry, under the Dassault Systèmes SE by-laws, the same rights to the allocation of profits and any amounts distributed in the event of liquidation (see paragraph 6.1.2.1 "Allocation of Profits (Article 36 of the by-laws)"). However, a double voting right is awarded to any fully paid-up share held in registered form for at least two consecutive years in the name of the same holder (see the paragraph "Double voting rights (Article 29 of the by-laws)" below).

**Conditions for exercising voting rights (Articles 11 and 29 of the by-laws)**

The voting rights attached to equity shares or deferred shares is proportional to the portion of capital they represent.

Voting is carried out by show of hands, by roll call or by secret ballot, as decided by the secretariat of the Meeting or the shareholders. Shareholders may also vote by mail, by videoconference or by any other means of communication, in accordance with the by-laws. For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has abstained or has returned a blank or invalid ballot.

In case the ownership of a share is divided, the voting right attached to the share belongs to the bare owner (*nu-proprétaire*), except for the decisions relating to the allocation of profits for which it belongs to the beneficial owner (*usufruitier*).

**Double voting rights (Article 29 of the by-laws)**

Each share gives the right to one vote. Nevertheless, since 2002, a double vote has been awarded to all fully paid-up shares held in registered form for at least two consecutive years in the name of the same holder. In the case of a capital increase by incorporation of reserves, profits or premiums, this double voting right will be attached on the date of their issuance to free registered new shares allotted to a shareholder in consideration for his or her old shares giving rise to such right.

Under the Law, any share converted into a bearer share or changing hands shall lose the right to the double voting right except in the case of a transfer from a registered account to another registered account at inheritance or a gift inter vivos to a spouse or a relative entitled to succeed to the donor's estate. The double voting right may also be canceled by a resolution of the shareholders at an Extraordinary General Meeting, provided the approval of the Special Meeting of Shareholders having a double voting right.

## Limitations on voting rights

The by-laws contain no restrictions on the exercise of voting rights attached to Dassault Systèmes SE shares except in the event of stripping of the ownership of the shares (see the paragraph “Conditions for exercising voting rights (Articles 11 and 29 of the by-laws)” above).

### 6.1.2.4 Declarations concerning crossing of the ownership thresholds (Article 13 of the by-laws)

In addition to the legal obligation to inform Dassault Systèmes SE and the Financial Markets Authority (AMF) in the event a shareholder’s interest crosses the thresholds set out in Article L. 233-7 of the French Commercial Code, any natural person or legal entity, acting alone or in concert with others, who directly or indirectly holds shares representing at least 2.5% of Dassault Systèmes SE’s share capital or voting rights, or a multiple thereof up to 50%, must inform Dassault Systèmes SE of the total number of shares or voting rights it holds whenever such thresholds are crossed, whether over or under. This information must be sent to Dassault Systèmes SE by registered letter with return receipt requested, within four trading days following the date of acquisition or disposal of the shares.

The shareholder must certify in each declaration that it includes all shares or voting rights held or owned, in accordance with Article L. 233-7 *et seq.* of the French Commercial Code. The declaration must also indicate the date or dates on which the acquisitions or disposals occurred.

In the event of non-compliance with this requirement, the shares exceeding the fraction of 2.5% which should have been declared will lose their voting rights, upon the request recorded in the minutes of the General Meeting of one or more shareholders holding a portion of Dassault Systèmes SE share capital or voting rights equal to at least 2.5% of the capital or voting rights. The voting rights will be lost for all general meetings held until the expiration of two years following the date on which the required declaration is made.

### 6.1.2.5 Terms in the by-laws, a charter or regulation of Dassault Systèmes SE which could delay, postpone or prevent a change in control

Other than the aforementioned double voting right (see paragraph 6.1.2.3 “Shares and Voting Rights”) and the reporting obligation when holdings exceed 2.5% (see paragraph 6.1.2.4 “Declarations concerning crossing of the ownership thresholds (Article 13 of the by-Laws)”), Article 10 of the by-laws provides that Dassault Systèmes SE may, at any time and in compliance with the provisions of the Law, request that a central depository maintaining its share register provides it with the name (or corporate name for legal entities), the nationality, the year of birth or the year of incorporation and the postal and, where applicable, email address of holders of Dassault Systèmes SE shares in bearer form which grant, immediately or over time, the right to vote at general meetings

of shareholders, as well as the number of shares held by each of these shareholders and, where appropriate, any restrictions applicable to such shares.

### 6.1.2.6 Terms in the by-laws concerning modifications in share capital which are more restrictive than the Law

The by-laws of Dassault Systèmes SE do not contain any provisions governing changes in share capital, which are more restrictive than those provided by Law.

### 6.1.2.7 Terms in the by-laws concerning the directors and members of the executive committee (Articles 14, 15 and 19 of the by-laws)

Dassault Systèmes SE is administrated by a Board of Directors established in accordance with the Law. Directors shall be appointed for four years, renewed or revoked by shareholders at an Ordinary General Meeting. The number of directors aged seventy or over cannot exceed half the members of the Board of Directors at any time. The Board of Directors also includes two directors representing employees, appointed by each of the two trade union organizations that have obtained the highest number of votes in the first round of the Social and Economic Committee members in the Company and its direct or indirect subsidiaries whose registered office is located on French territory.

From among its individual members, the Board of Directors shall elect a Chairman who may not be more than eighty-five years of age, and set his or her term of office. The Chairman shall organize and supervise the work of the Board of Directors and reports on the same at the General Meeting of Shareholders, and shall watch over the running of the corporate bodies of the Company. The Board of Directors may also elect a Vice chairman who will serve as Chairman on an interim basis, in the case of (i) a temporary incapacity or death of the Chairman or (ii) an absence or unavailability of the Chairman to preside over a meeting of the Board of Directors.

Depending on the decision of the Board of Directors, the general management of the Company shall be undertaken either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and who shall take the title of Chief Executive Officer. The Chief Executive Officer may not be more than seventy-five years old. The Chief Executive Officer shall be vested with the broadest powers to act under any circumstance on behalf of the Company. He or she shall exercise these powers within the limits of the corporate purpose and subject to the powers expressly attributed by Law to shareholders meetings and the Board of Directors. The Chief Executive Officer represents the Company in its relations with third parties. The Chief Executive Officer may be dismissed at any time by the Board of Directors. If dismissal is without cause, costs for damages and related interest may arise, unless the Chief Executive Officer is also Chairman of the Board of Directors.

Upon the proposal of the Chief Executive Officer, the Board of Directors may appoint one or several individuals, whether directors or not, to assist the Chief Executive Officer as *Directeur Général Délégué*. The *Directeur Général Délégué* may not be more than seventy-five years old. In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to each *Directeur Général Délégué*. In dealings with third parties, each *Directeur Général Délégué* has the same powers as the

Chief Executive Officer. The *Directeur Général Délégué* may be dismissed at any time by the Board of Directors, at the proposal of the Chief Executive Officer. If dismissal is without cause, costs for damages and related interest may arise. In the event of the death, resignation or dismissal of the Chief Executive Officer, each *Directeur Général Délégué* shall retain his/her position and duties until the appointment of a new Chief Executive Officer, unless otherwise decided by the Board of Directors.

## 6.2 Information about the Share Capital

### 6.2.1 Share Capital as of December 31, 2021

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As of December 31, 2021, Dassault Systèmes SE's share capital totaled €133,271,665.30 and was composed of 1,332,716,653 fully paid-up shares with a nominal value of €0.10 each.

### 6.2.2 Potential Share Capital

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As of December 31, 2021, outstanding share subscription options, whether or not exercisable, would, if all were exercised, result in the issuance of 27,022,622 new shares, representing 1.99% of Dassault Systèmes SE's share capital at that date (on a diluted basis).

On the same date, based on the closing price of its shares on December 31, 2021 (€52.31 per share), the exercise of all exercisable issued options, whose exercise price was less than that closing price, would have resulted in the issuance of 15,547,819 new shares, representing 1.15% of Dassault Systèmes SE's share capital at that date (on a diluted basis). The dilutive effect per share is also set forth in Note 11 to the consolidated financial statements.

In connection with the acquisition of SolidWorks in 1997, Dassault Systèmes SE issued shares to the holders of share subscription options and warrants issued by SolidWorks prior to this acquisition. These Dassault Systèmes shares have historically been held by Dassault Systèmes' wholly owned U.S. subsidiary, SW Securities LLC. No other SolidWorks share subscription options or warrants remain outstanding at

this time. As of December 31, 2021, SW Securities LLC held 2,518,070<sup>(1)</sup> shares, or approximately 0.19% of share capital at that date. Similar to treasury shares, the shares held by SW Securities LLC do not carry voting rights and are not eligible for dividends.

Other than the share subscription options granted in connection with stock option plans and performance share allocations as described in paragraph 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)" and paragraph 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE," there are no other securities giving a right to subscribe Dassault Systèmes shares, and there is no agreement which could result in a capital increase.

#### Pledge of Shares

To the Company's knowledge, there was no pledge of Dassault Systèmes shares in registered form and representing a significant portion of its share capital as of December 31, 2021.

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(1) This figure takes into account the five-for-one split of the Dassault Systèmes' share, on July 7, 2021, and the subsequent multiplication by five of the number of shares.

## 6.2.3 Changes in Dassault Systèmes SE Share Capital over the Past Three Years

Date	Transaction	Nominal amount of changes in share capital (in euros)	Amount of share capital (in euros)	Number of shares created or canceled	Total number of shares	Nominal value of the shares (in euros)
February 28, 2019	Capital increase resulting from the exercise of share subscription options	693,419.50	131,463,984	1,386,839	262,927,968	0.50
February 29, 2020	Capital increase resulting from the exercise of share subscription options	663,175.50	132,127,159.50	1,326,351	264,254,319	0.50
February 28, 2021	Capital increase resulting from the exercise of share subscription options	583,972.50	132,711,132	1,167,945	265,422,264	0.50
June 29, 2021	Capital increase resulting from the exercise of share subscription options	250,959	132,962,091	501,918	265,924,182	0.50
July 07, 2021	Five-for-one stock split <sup>(1)</sup>	-	132,962,091	-	1,329,620,910	0.10
December 31, 2021	Capital increase resulting from the exercise of share subscription options <sup>(2)</sup>	309,574.30	133,271,665.30	3,095,743	1,332,716,653	0.10

(1) Following the five-for-one split of the Dassault Systèmes' share on July 7, 2021, the number of shares was subsequently multiplied by five. The total number of shares therefore increased from 265,924,182 to 1,329,620,910.

(2) The capital increase resulting from the exercise of these share subscription options was formally recognized in 2022.

The changes in equity resulting from transactions through December 31, 2021 set forth above are included in the "Consolidated Statements of Shareholders' Equity" in the consolidated financial statements.

## 6.2.4 Share Buyback Programs

### 6.2.4.1 Transactions carried out by Dassault Systèmes SE in 2021

During the 2021 fiscal year, Dassault Systèmes SE purchased, under the authorizations granted to the Board of Directors by the General Meetings of May 26, 2020, and May 26, 2021 11,199,225 of its own shares (excluding shares acquired through the liquidity agreement, a report of which is presented below).

These shares were purchased at an average price of €47.01 per share, giving a total cost of €526,466,670.55 (excluding tax). The transaction costs paid by the Company in connection with these repurchased shares amounted to €86,359.24 all taxes included to which is added the tax on financial transactions for an amount of €1,579,400.01.

These 11,199,225 shares were allocated to the following purposes:

- cover Dassault Systèmes SE obligations resulting from share attributions to Dassault Systèmes employees: 6,894,175 shares;
- cancellation: 4,305,050 shares.

The shares repurchased before 2021 were allocated in 2021 to the following purposes:

- cover Dassault Systèmes SE obligations resulting from share attributions to Dassault Systèmes employees decided prior to 2021: 17,471,185 shares;
- liquidity agreement entered into with Oddo BHF SCA mentioned below: 310,440 shares.

Dassault Systèmes SE directly held, on December 31, 2021, 20,036,245 of its own shares (including 213,485 shares through the liquidity agreement) of a nominal value of €0.10 each, which had been repurchased at an average price of €37.26, representing approximately 1.50% of share capital at that date. Out of these 20,036,245 shares, 19,822,760 shares are at the disposal of Dassault Systèmes SE and are allocated to cover the Dassault Systèmes SE obligations resulting from share attributions to Dassault Systèmes employees (for 15,517,710 shares) and for the purpose of cancellation (for 4,305,050 shares).

On January 5, 2015, Dassault Systèmes SE entered into a liquidity agreement, in accordance with the Code of Ethics of the AFEI (French association of investment firms) recognized by the Financial Markets Authority (AMF), with Oddo BHF SCA implemented from January 7, 2015 for an initial period ending on December 31, 2015, automatically renewable for subsequent 12-month terms. This agreement has been amended on October 26, 2017, in order to, *inter alia*, increase the amount of the fees to €70,000 per year and to increase by €5,000,000 the resources assigned to the liquidity agreement. On December 13, 2018, an additional contribution of €5 million was made, increasing the resources assigned to the liquidity agreement from €15 million to €20 million. The agreement was amended on June 18, 2019, in order to comply with the new requirements of the Financial Markets Authority's (AMF) Decision no. 2018-01 of July 2, 2018, which has since been replaced by AMF Decision no. 2021-01 of June 22, 2021.

During fiscal year 2021, 2,750,741 shares were purchased and 2,847,696 shares were sold within the framework of the liquidity agreement. As of December 31, 2021, the following resources appeared on the liquidity account:

- 213,485 Dassault Systèmes shares; and
- €25,406,525.43 in cash.

During fiscal year 2021, Dassault Systèmes SE has not entered into any transactions on derivative securities linked to its shares nor has it purchased or sold any of its shares through the exercise or maturity of derivative securities.

#### 6.2.4.2 Description of the Share Buyback Program Proposed to the General Meeting on May 19, 2022

Pursuant to Article 241-2 et seq. of the French Financial Markets Authority (AMF) General Regulation and Article L. 451-3 of the French Monetary and Financial Code, and in accordance with European Regulations, the terms and objectives of the Dassault Systèmes SE's share buyback program that will be submitted for approval at the General Meeting of May 19, 2022, are described below.

##### Breakdown of treasury shares by purpose

As of December 31, 2021, Dassault Systèmes SE held 20,036,245 of its own shares directly and 2,518,070 indirectly (treasury shares). These 20,036,245 shares were allocated to the following purposes:

- cover Dassault Systèmes SE obligations resulting from share attributions to Dassault Systèmes employees: 15,517,710 shares;

- cancellation: 4,305,050 shares; and
- liquidity agreement signed with Oddo BHF SCA on January 5, 2015, updated on June 18, 2019: 213,485 shares.

##### Purposes of the new repurchase program

- 1) Cancel shares in order to increase the return on equity and earnings per share.
- 2) Meet obligations related to stock option grants or other allocations of shares to employees or corporate officers of Dassault Systèmes SE or of an affiliated company.
- 3) Provide shares upon exercise of rights attached to marketable securities giving access to share capital of Dassault Systèmes SE.
- 4) Stimulate the market or provide liquidity for the Dassault Systèmes SE's shares through the intermediary of an investment services provider by means of a liquidity contract complying with the Decision no. 2018-01 of July 2, 2018 taken by the Financial Markets Authority (AMF).
- 5) Carry out any market practice, which may be authorized by the Law or by the Financial Markets Authority (AMF).
- 6) Deliver shares in the context of external growth transactions, in particular through mergers, demergers, partial demergers or contributions in kind.

The purposes 1 to 3 above comply with the terms of paragraph 2, Article 5 of the European Regulation no. 596/2014 dated April 16, 2014, and purpose 4 complies with the Decision no. 2018-01 of July 2, 2018 taken by the Financial Markets Authority (AMF). Purpose 5 complies with provisions of the Article 13 of the European Regulation no. 596/2014 dated April 16, 2014. Purpose 6, unlike the other aforementioned purposes, does not benefit from a presumption of legitimacy, but it is in the interest of the Company to have such a possibility also referred to in Article L. 22-10-62 of the French Commercial Code.

The General Meeting of May 19, 2022 will also be asked to authorize the Board of Directors to cancel, as the case may be, all or part of the shares which it may repurchase in connection with the share buyback program and to carry out the corresponding reduction in share capital.

##### Maximum amount allocated to the share buyback program, maximum number and characteristics of the securities that Dassault Systèmes SE proposes to acquire

The Board of Directors is authorized to repurchase Dassault Systèmes shares representing up to 20 million shares. The maximum amount of the funds used for the purpose of buying back shares is set at €1 billion.

##### Duration of the share buyback program

The program would last about 12 months, starting on the General Meeting of May 19, 2022. The authorization granted by the General Meeting to the Board of Directors should be valid until the Ordinary General Meeting approving the financial statements for the fiscal year ending December 31, 2022.

## 6.3 Information about the Shareholders

### 6.3.1 Shareholder Base and Double Voting Rights

The table below sets forth certain information concerning Dassault Systèmes SE's shareholder base over the last three fiscal years. Pursuant to the Financial Markets Authority (AMF) Position/Recommendation no. 2021-02, it specifies:

- the theoretical or “gross” voting rights, taking into account the voting rights attached to the shares without voting rights, in accordance with Article 223-11 of the General Regulation of the Financial Markets Authority (AMF) and used as a denominator by shareholders to calculate their percentage of shares held and voting rights for the purposes of regulatory declarations (in particular the declarations with regards to crossing thresholds); and

- the voting rights that can be exercised at the General Meeting or “net” voting rights, not taking into account shares without voting rights.

Double voting rights are attributed to all fully paid-up shares held in registered form for at least two consecutive years in the name of the same holder.

The major shareholders of Dassault Systèmes SE do not hold voting rights, which are different from voting rights of other shareholders (such as double voting rights).

Shareholders	Shares	% of capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in the General Meeting	% of voting rights exercisable in the General Meeting
<b>As of December 31, 2021</b>						
Groupe Industriel Marcel Dassault	535,449,840	40.18%	1,070,149,680	53.69%	1,070,149,680	54.30%
Charles Edelstenne <sup>(1)</sup>	79,487,425	5.96%	158,585,350	7.96%	158,585,350	8.05%
Bernard Charlès	22,952,205	1.72% <sup>(5)</sup>	42,904,410	2.15% <sup>(5)</sup>	42,904,410	2.18% <sup>(5)</sup>
Treasury shares <sup>(2)</sup>	15,640,473 <sup>(2)</sup>	1.17%	15,640,473	0.78%	-	-
Indirect treasury shares <sup>(3)</sup>	2,518,070	0.19%	2,518,070	0.13%	-	-
Directors and senior management <sup>(4)</sup>	10,035,160	0.75%	17,670,380	0.88%	17,670,380	0.89%
Public	666,633,480	50.03%	685,775,708	34.41%	681,379,936	34.58%
<b>TOTAL</b>	<b>1,332,716,653</b>	<b>100%</b>	<b>1,993,244,071</b>	<b>100%</b>	<b>1,970,689,756</b>	<b>100%</b>
<b>As of December 31, 2020</b>						
Groupe Industriel Marcel Dassault	107,089,968	40.39%	214,019,936	53.90%	214,019,936	54.45%
Charles Edelstenne <sup>(1)</sup>	15,897,485	6.00%	31,692,070	7.98%	31,692,070	8.06%
Bernard Charlès	4,290,441	1.62% <sup>(5)</sup>	8,130,882	2.05% <sup>(5)</sup>	8,130,882	2.07% <sup>(5)</sup>
Treasury shares <sup>(2)</sup>	3,556,325 <sup>(2)</sup>	1.34%	3,556,325	0.89%	-	-
Indirect treasury shares <sup>(3)</sup>	503,614	0.19%	503,614	0.13%	-	-
Directors and senior management <sup>(4)</sup>	1,859,013	0.70%	3,395,817	0.85%	3,395,817	0.87%
Public	131,939,391	49.76%	135,805,717	34.20%	135,805,717	34.55%
<b>TOTAL</b>	<b>265,136,237</b>	<b>100%</b>	<b>397,104,361</b>	<b>100%</b>	<b>393,044,422</b>	<b>100%</b>
<b>As of December 31, 2019</b>						
Groupe Industriel Marcel Dassault	106,929,968	40.50%	213,290,297	54.12%	213,290,297	54.76%
Charles Edelstenne <sup>(1)</sup>	15,819,585	5.99%	31,558,679	8.01%	31,558,679	8.10%
Bernard Charlès	3,990,441	1.51% <sup>(5)</sup>	7,280,882	1.85% <sup>(5)</sup>	7,280,882	1.87% <sup>(5)</sup>
Treasury shares <sup>(2)</sup>	4,072,744 <sup>(2)</sup>	1.54%	4,072,744	1.03%	-	-
Indirect treasury shares <sup>(3)</sup>	503,614	0.19%	503,614	0.13%	-	-
Directors and senior management <sup>(4)</sup>	1,663,430	0.63%	2,796,081	0.71%	2,796,081	0.72%
Public	131,058,219	49.64%	134,589,772	34.15%	134,594,115	34.55%
<b>TOTAL</b>	<b>264,038,001</b>	<b>100%</b>	<b>394,092,069</b>	<b>100%</b>	<b>389,520,054</b>	<b>100%</b>

(1) Including shares held in two family trusts managed by Mr. Edelstenne.

At December 31, 2021, Mr. Edelstenne held 21,390,290 shares with all ownership rights and 16,910 shares through two family companies which he manages, representing a total of 1.61% of the capital and 2.13% of the exercisable voting rights, as well as 58,080,225 shares with “beneficial” rights (*usufruit*). For the beneficial rights with respect to these 58,080,225 shares, representing 5.89% of the exercisable voting rights, Mr. Edelstenne can only exercise the voting rights on decisions of the General Meeting of Shareholders concerning the allocation of profits; the holders of the bare ownership rights (*nue-propriété*) exercise the voting rights for other resolutions in compliance with Article 11 of the by-laws.

For details related to the Company shares held by Mr. Edelstenne at December 31, 2020 and December 31, 2019, see paragraph 6.3.1. of the Universal registration documents for 2020 and 2019, respectively.

(2) Including 213,485 shares through the liquidity agreement as of December 31, 2021. As of December 31, 2020, this number was 310,440 shares.

(3) SW Securities LLC. This company is a Dassault Systèmes subsidiary; the Dassault Systèmes shares held by it do not have voting rights.

(4) Excluding Mr. Edelstenne and Mr. Charlès, management includes the officers listed in paragraph 5.1.2 “Executives of Dassault Systèmes.”.

(5) For further information, see Table 5 of paragraph 5.1.4 “Summary of the Compensation and Benefits due to Corporate Officers (mandataires sociaux)”.

The overall number of voting rights amounted to 1,993,244,071 as of December 31, 2021 (the number of exercisable voting rights was 1,970,689,756). The difference between the number of theoretical and exercisable voting rights is explained by the treasury shares and shares controlled.

MFS Investment Management (MFS) notified Dassault Systèmes SE that as of September 17, 2015 the funds managed by companies within its group held more than 2.5% of the company's capital.

BlackRock, Inc. further advised Dassault Systèmes SE that, as of September 4, 2019, it held more than 2.5% of the company's capital.

No other shareholders, except as indicated above, declared holding 2.5% (threshold set forth in by-laws), directly or indirectly, alone or in agreement with other shareholders or more than 5% of the Company's share capital or voting rights, based on shareholders' obligations.

Although Dassault Systèmes SE voluntarily delisted its shares from NASDAQ in October 2008, it continues to maintain its ADR ("American Depositary Receipts") program, which are still traded on the over-the-counter market (see paragraph 6.4 "Stock Market Information"). On December 31, 2021, there were 26,547,954 American Depositary Shares ("ADS") outstanding, and the number of recorded ADS holders, holding them either for themselves or for third parties, was 41.

In December 2021, Dassault Systèmes SE commissioned a survey on the composition of its shareholder base from an

external specialized services provider. According to this survey, institutional investors holding more than 80,000 shares each numbered 722, and they held 42.5% of the Dassault Systèmes SE share capital as of December 31, 2021.

As of December 31, 2021, Dassault Systèmes SE held 213,485 shares under the liquidity agreement entered into with Oddo BHF SCA and 19,822,760 treasury shares. Of these 19,822,760 treasury shares, 4,189,660 shares were bought back during the buyback program adopted by the General Meeting of May 26, 2021 and the remainder, i.e. 15,633,100 shares, under previous buybacks. These 19,822,760 shares represent approximately 1.49% of the share capital as of December 31, 2021, with no voting rights or dividend rights attached to them.

At December 31, 2021, 690,318,484 Dassault Systèmes shares (i.e. approximately 51.80% of the capital) are held in registered form, providing entitlement to 1,333,292,463 exercisable voting rights (i.e. approximately 66.89% of the gross voting rights).

The number of Dassault Systèmes shares held by employees, in accordance with Article L. 225-102 of the French Commercial Code, was 15,860,846 shares at December 31, 2021, or approximately 1.19% of the total number of shares at that date (i.e. 1,332,716,653 outstanding shares). This ratio was 1.05% at December 31, 2020, following the correction for material error on page 249 of the Universal registration document 2020.

### 6.3.2 Controlling Shareholder

Groupe Industriel Marcel Dassault (GIMD) is the principal shareholder of Dassault Systèmes SE with, as of December 31, 2021, 40.18% of the share capital and 54.30% of the exercisable voting rights (i.e. 53.69% of theoretical voting rights). With more than 50% of the voting rights of Dassault Systèmes SE, GIMD controls Dassault Systèmes. GIMD belongs to the Dassault family.

The Board of Directors of Dassault Systèmes SE has been made up of 50% of independent directors since May 26, 2020<sup>(1)</sup>, i.e. a proportion exceeding the requirement stipulated in the AFEP-MEDEF Code for controlled companies. All the Committees under the Board (Audit Committee, Compensation and Nomination Committee and Scientific Committee) are

wholly made up of independent directors, as a guarantee of a balanced exercise of control by GIMD as prescribed by the French Financial Markets Authority (AMF) General Regulation.

As GIMD possesses more than 30% but less than half of the shares and more than half of the voting rights in Dassault Systèmes SE, GIMD may not increase its equity stake by more than 1% of the total number of shares of the Company in a period of 12 consecutive months, unless it launches a public tender offer on all Dassault Systèmes shares, except for an exemption from the obligation to make an offer based on Article 234-8 and 234-9 (6°) of the French Financial Markets Authority (AMF) General Regulation, which the latter can grant at its discretion.

(1) Directors representing employees are not taken into account for the calculation of the number of independent directors, in compliance with the recommendations of the AFEP-MEDEF Code.



### 6.3.3 Shareholder Agreements

In 2011, 2013, 2014, 2015, 2017, 2018, 2019 and 2020, Dassault Systèmes was informed about collective undertakings concluded concerning the holding of shares whose characteristics are summarized in the tables hereafter in accordance with Financial Markets Authority (AMF) Position/Recommendation no. 2021-02.

#### Collective undertakings concluded in 2020

System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	May 06, 2020	November 06, 2020
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Undetermined with cases of termination	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	23.95% of the share capital	24.00% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 975 III, 1, 1° of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

#### Collective undertakings concluded in 2019

System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	January 21, 2019	September 02, 2019	September 02, 2019
Duration of collective undertakings	At least two years	At least two years	At least two years
Contractual duration of the agreement	Undetermined with cases of termination	Undetermined with cases of termination	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	24.10% of the share capital	27.79% of the share capital	29.98% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 975 III, 1, 1° of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

**Collective undertakings concluded in 2018**

System	Article 787 B of the French Tax Code
Date of signing	April 24, 2018
Duration of collective undertakings	At least two years
Contractual duration of the agreement	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	24.30% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 975 III, 1, 1° of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

**Collective undertakings concluded in 2017**

System	Article 787 B of the French Tax Code
Date of signing	March 30, 2017
Duration of collective undertakings	At least two years
Contractual duration of the agreement	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	24.52% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 885 O bis of the French Tax Code, now Article 975 III, 1, 1° of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

**Collective undertakings concluded in 2015**

System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	December 17, 2015	December 17, 2015
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Undetermined with cases of termination	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	24.85% of the share capital	24.66% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 885 O bis of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

### Collective undertakings concluded in 2014

System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	February 27, 2014	December 16 and 17, 2014
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Undetermined with cases of termination	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	25.0% of the share capital	24.7% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 885 O bis of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

### Collective undertakings concluded in 2011 still in force

### Collective undertakings concluded in 2013

System	Article 787 B of the French Tax Code	Article 787 B of the French Tax Code
Date of signing	July 11, 2011	October 29, 2013
Duration of collective undertakings	At least two years	At least two years
Contractual duration of the agreement	Undetermined with cases of termination	Undetermined with cases of termination
Conditions for renewal	No specific conditions stipulated	No specific conditions stipulated
Capital and voting rights % concerned by the agreement (at its date of execution)	29.6% of the share capital	28.2% of the share capital
Names of the signatories having the capacity of executives <sup>(1)</sup>	Mr. Charles Edelstenne Mr. Bernard Charlès	Mr. Charles Edelstenne Mr. Bernard Charlès
Name(s) of the signatory (ies) having close links with executives	Groupe Industriel Marcel Dassault	Groupe Industriel Marcel Dassault
Names of the signatories holding at least 5% of the capital and/or voting rights of Dassault Systèmes SE	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>	Groupe Industriel Marcel Dassault Mr. Charles Edelstenne and beneficiaries <sup>(2)</sup>

(1) Pursuant to Article 885 O bis of the French Tax Code.

(2) See Note 1 under the table of paragraph 6.3.1 "Shareholder Base and Double Voting Rights."

The same shares can be subject to several joint lock-up agreements.

## 6.4 Stock Market Information

### Stock Exchange

Shares of Dassault Systèmes have been listed on Compartment A of Euronext Paris (ISIN code FR0014003TT8<sup>(1)</sup>) since June 28, 1996. Its shares were also listed on the NASDAQ in the form of ADS (American Depositary Shares) under the symbol DASTY until October 16, 2008. The ADS are still traded

under this symbol on the U.S. over-the-counter market. One ADS represents one ordinary share (see paragraph 6.3.1 “Shareholder base and Double Voting Rights”).

For dividend policy, see the paragraph 7.1 “Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022.”

### Share price history and trading volumes of Dassault Systèmes shares from January 1, 2021

<i>(in euros except for Volume of shares traded)</i>	<b>Volume of shares traded*</b>	<b>Share price on last day of the month*</b>	<b>Highest share price during the month*</b>	<b>Lowest share price during the month*</b>
January 2021	25,373,605	€32.95	€33.94	€32.08
February 2021	30,304,025	€34.38	€38.05	€33.55
March 2021	34,029,280	€36.48	€36.50	€33.53
April 2021	22,693,350	€38.59	€39.17	€37.32
May 2021	24,493,115	€37.65	€38.59	€36.39
June 2021	24,067,875	€40.90	€41.32	€36.97
July 2021	27,246,481	€46.52	€46.52	€40.82
August 2021	20,598,735	€48.31	€48.74	€46.94
September 2021	30,165,850	€45.47	€50.94	€45.40
October 2021	25,429,703	€50.38	€50.38	€44.33
November 2021	29,286,019	€53.19	€56.22	€50.62
December 2021	21,871,130	€52.31	€53.74	€51.44

\* Historical data have been restated to take into account the five-for-one stock split on July 7, 2021. (Source: Euronext Paris).

### Person Responsible for Financial Communications

François-José Bordonado  
Vice-President, Investor Relations

To obtain all financial information and documents published by Dassault Systèmes SE, please contact:

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### Indicative Timetable for the Publication of Financial Information for 2022

- First quarter of 2022: April 27, 2022
- Second quarter of 2022: July 26, 2022
- Third quarter of 2022: October 26, 2022
- Fourth quarter of 2022: February 02, 2023

(1) In connection with the five-for-one stock split, a new ISIN code was assigned to Dassault Systèmes shares as from July 7, 2021.

# GENERAL MEETING

# 7

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## 7.1 Presentation of the Resolutions Proposed by the Board of Directors to the General Meeting of May 19, 2022

### 7.1.1 Annual Financial Statements and Allocation of the Results

It is proposed to approve the annual financial statements of Dassault Systèmes SE (or the "Company" for the purposes of this Chapter 7 "General Meeting") for the year ended December 31, 2021, prepared on the basis of French accounting principles, as they have been presented in paragraph 4.2 "Parent Company Financial Statements".

Dassault Systèmes SE has paid dividends every year since 1986. The decision to distribute dividends and their amount depends on the profits and the financial position of Dassault

Systèmes SE as well as other factors. Dividends which have been distributed but are not collected by a shareholder revert to the French State at the end of the five-year period following the date of their payment.

Based on the financial statements and the management report of the Board of Directors included in this Universal registration document, a profit of €431,259,400.24<sup>(1)</sup> was realized for the year ended December 31, 2021, which we propose that you allocate as follows:

– to the legal reserve	€70,354.68
– to a special reserve account <sup>(2)</sup>	€34,000.00
– for distribution to the 1,332,716,653 shares forming the share capital as of 12/31/2021 of a dividend of (€0.17 x 1,332,716,653) <sup>(3)</sup>	€226,561,831.01
– to retained earnings	€204,593,214.55
which, increased by the retained earnings from previous years of €2,737,981,454.38, brings the amount of retained earnings to	€2,942,574,668.93

(1) This profit, increased by the retained earnings from previous years of €2,737,981,454.38 and after allocation to the legal reserve and the special reserve account, results in a distributable profit of €3,169,136,499.94.

(2) In compliance with Article 238 bis AB, paragraph 5, of the French General Tax Code.

(3) The aggregate amount of the dividend will be adjusted according to the change in the number of shares between January 1, 2022 and the date of this General Meeting. The capital increase in January 2022 linked to the "Together" employee shareholding plan, the cancellation of the corresponding number of shares in order to neutralize the dilutive effect of this plan and the exercise of share subscription options will thus be taken into account, it being specified that the maximum number of shares that may be issued on the exercise of options is 15,562,399, representing a maximum additional dividend of €2,645,607.83.

Further new shares created by the exercise of subscription options until the date of the Annual General Meeting deciding on the allocation of profit related to the preceding year will receive the dividend distributed with respect to that year (see paragraphs 5.1.5 "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE").

Therefore, it is proposed that the General Meeting of May 19, 2022 approves for the year 2021 the distribution of (i) a dividend of €0.17 per share comprising the share capital as of the date of this General Meeting, resulting – on the basis of the number of shares representing the share capital as of December 31, 2021 – in an aggregate amount of €226,561,831.01 and (ii) where applicable, an additional aggregate maximum amount of €2,645,607.83, which corresponds to the maximum number of new shares which could be issued consecutively to the exercise of share subscription options between January 1, 2022 and the date of the General Meeting (i.e. 15,562,399 shares).

Shares will be traded ex-dividend on May 23, 2022 and the dividend will be paid on May 25, 2022.

On the date of payment, the amount of the dividend corresponding to (i) the treasury shares of Dassault Systèmes SE and (ii) the Dassault Systèmes shares held by SW Securities LLC, a company which is controlled by Dassault Systèmes (which is understood as the Company and all the companies included in the consolidation), will be allocated to "retained earnings," in accordance with the provisions of Article L. 225-210 of the French Commercial Code and the contractual provisions in force between SW Securities LLC and Dassault Systèmes SE.

In addition, prior to distribution of the dividend, the Board of Directors, or if so authorized, the Chief Executive Officer, will determine the number of additional shares issued as a result of the exercise of share subscription options between January 1 and the date of the General Meeting on May 19, 2022. The amount required for payment of dividends for shares issued during this period will be taken from "retained earnings."

The amount thus distributed to individual shareholders resident in France for tax purposes will be, where applicable:

- either subject to a flat-rate withholding tax of 30% (12.8% income tax and 17.2% social security contributions) (Article 117 quater of the French Tax Code);

- or, if an individual option is expressly and irrevocably exercised each year across the board for all income from securities, taken into account in determining shareholders' total income subject to the progressive rate of income tax for the year in which it is received (Article 200 A of the French Tax Code), after application of an uncapped deduction of 40% (Article 158-3-2 of the French Tax Code).

Dividends taxed at the progressive rate of income tax are also subject to social security contributions at a rate of 17.2%.

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three years have been as follows:

	2020	2019	2018
Dividend <sup>(1)</sup> (in euros)	0.56	0.70	0.65
<i>After adjustment in order to reflect the five-for-one stock split of Dassault Systèmes shares in effect as of July 7, 2021</i>	<i>0.11</i>	<i>0.14</i>	<i>0.13</i>
Number of shares eligible for dividends <sup>(2)</sup>	262,608,350	260,681,320	259,679,976

(1) Dividend 100% eligible for the 40% deduction provided for in Article 158-3-2 of the French Tax Code.

(2) The numbers of shares indicated do not take into account the five-for-one stock split of Dassault Systèmes shares in effect as of July 7, 2021.

## 7.1.2 Consolidated financial statements

In addition to the 2021 parent company annual financial statements, it is also proposed to approve the Dassault Systèmes consolidated financial statements for the year ended December 31, 2021, prepared in accordance with IFRS as described in paragraph 4.1.1 "Consolidated Financial Statements" of this Universal registration document.

## 7.1.3 Related-party agreements

The following agreements, which were approved in accordance with Articles L. 225-38 *et seq.* of the French Commercial Code, were in effect during the year ended December 31, 2021. These are undertakings made by the Company in connection with its "Directors and Corporate Officers Liability Insurance Policy":

- to reimburse the cost of legal defense of directors in the event of their personal liability being sought and indemnify the directors for the financial implications of such liability and payment of the costs in relation with legal defense related thereto, to the extent they would not be covered by that insurance policy (approved by the Board of Directors' meeting held on July 24, 1996);
- to assume, under certain conditions, the cost of legal defense of Directors of Dassault Systèmes SE should they have to prepare their personal defense before a civil, criminal or administrative court in the United States in connection with an inquiry or investigation conducted against Dassault Systèmes (approved by the Board of Directors' meeting held on September 23, 2003).

These agreements were reviewed by the Board of Directors at its meeting on March 15, 2022, in accordance with the provisions of Article L. 225-40-1 of the French Commercial Code.

The Statutory Auditors have prepared a special report pursuant to Articles L. 225-40 and L. 225-40-1 of the French Commercial Code, as set forth in paragraph 4.2.4 "Statutory Auditors' Report on Related Party Agreements and Commitments." It does not mention any new agreements, but does mention one agreement not subject to prior authorization by the Board of Directors. This concerns the by-laws, signed on January 27, 2022, of the "Software République" economic interest group involving Dassault Systèmes SE, Thales SA, Renault SAS, BULL SAS, Orange SA and STMicroelectronics SA, the purpose of which is to organize an ecosystem aimed at structuring a new technological sector for new forms of mobility.

Since two of the signatories – Dassault Systèmes SE and Thalès SA – have a common director, this agreement was subject to a prior review in accordance with Dassault Systèmes' internal charter on reviewing related-party agreements. This review concluded that the agreement should be considered as a non-regulated agreement in accordance with the provisions of Article L.225-39 of the French Commercial Code, as it involved routine transactions entered into by Dassault Systèmes under standard terms and conditions.

The General Meeting has been requested to acknowledge this report which refers to no new agreements.

## 7.1.4 Appointment as Principal Statutory Auditors of KPMG SA

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The mandate as principal Statutory Auditors of Ernst & Young et Autres, which began on May 27, 2010 and was renewed on May 26, 2016, expires on May 19, 2022. The mandate of PricewaterhouseCoopers Audit, which began on June 8, 2005 and was renewed on May 23, 2017, expires in 2023 (the date of the General Meeting called to approve the financial statements for the year ending December 31, 2022).

If the mandates of Ernst & Young et Autres and PricewaterhouseCoopers Audit were to be renewed in 2022 and 2023, they would be subject to a rotation requirement in 2028 and 2029. This total renewal of the Statutory Auditors' mandate within a single year would have engendered a significant risk concerning the quality of the statutory audit of the Group's financial information and the organization of the internal teams involved in its preparation.

In order to mitigate this risk, Dassault Systèmes launched a consultation process in September 2020 to change one of the two Statutory Auditors with effect from the General Meeting of May 2022 or of May 2023. This consultation involved a call for applications from seven auditing firms, initiated in early November 2020, and a formal call for tenders from four auditing firms starting from January 2021. The applicant companies were fully briefed by our financial division about the organization of our teams and their priorities, the Group's main accounting policies and its key internal processes and controls. The selection criteria included the level of technical and industry expertise, technological innovation, capabilities in terms of international missions and communication, the quality of the teams and the value contributed through the audit and the amount of fees. The Audit Committee supervised the entire selection process (see paragraph 5.1.1.3 "Composition, Practices and Activities of the Board Committees").

Following the call for tenders, the Board of Directors, upon the recommendation of the Audit Committee:

- decided to propose to the General Meeting of May 19, 2022 to appoint KPMG S.A., member of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, Tour Eqho, 2 avenue Gambetta – 92066 Paris-La Défense Cedex, represented by Jacques Pierre and Xavier Niffle, as principal Statutory Auditors, to replace Ernst & Young et Autres, for a period of six fiscal years expiring at the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2027;
- decided to propose renewing PwC Audit's mandate in 2023 for a period of six years.

In accordance with legal requirements, the Chief Executive Officer did not participate in the Board of Directors' vote on this matter.

The Audit Committee's recommendation was communicated to the Board of Directors in June 2021 in order to preserve the independence of the firm KPMG S.A. through the withdrawal of certain non-audit services provided by members of its network to the Group. This anticipatory measure also makes it possible to organize the transition within the board of Statutory Auditors and to prepare for the Statutory Auditors' review of the Group's half-year financial information in 2022.

As authorized by law, it is not proposed to appoint a substitute Statutory Auditor to replace Auditex, whose mandate expires in May 2022.

## 7.1.5 Compensation Elements Paid in 2021 or Granted with respect to 2021 to Mr. Charles Edelstenne, Chairman of the Board, and to Mr. Bernard Charlès, Vice chairman of the Board and Chief Executive Officer

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Pursuant to the provisions of Article L.22-10-34, II of the French Commercial Code, it is proposed that the General Meeting approves the compensation elements paid in 2021 or granted with respect to 2021 to Mr. Charles Edelstenne, Chairman of the Board of Directors, and Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer. These compensation elements are summarized in the tables below

(see also paragraph 5.1 "The Board's Corporate Governance Report"). The payment of the Chief Executive Officer's variable compensation with respect to 2021 is subject to the General Meeting's approval of the compensation elements for 2021. Since the Chairman of the Board does not receive any variable or extraordinary compensation, this condition does not apply to him.



### 7.1.5.1 Compensation elements due or granted with respect to 2021 to Mr. Charles Edelstenne, Chairman of the Board<sup>(1)</sup>

#### Compensation granted with respect to 2021

Compensation elements	Amount (in euros)	Observations
Fixed compensation <sup>(2)</sup>	1,010,500	On March 18, 2021, the Board of Directors, on the proposal of the Compensation and Nomination Committee, set the new gross annual fixed compensation of Mr. Charles Edelstenne at €1,020,000, representing a 4% increase compared with 2020. This came into effect on April 1, 2021, the date on which the 2021 annual salary review for the Company's employees came into effect. The gross compensation paid to Mr. Charles Edelstenne in 2021 amounts to €1,010,500. Mr. Charles Edelstenne receives no annual variable compensation.
Annual variable compensation	N/A	
Deferred annual variable compensation	N/A	Mr. Charles Edelstenne receives no deferred annual variable compensation.
Multi-year variable compensation	N/A	Mr. Charles Edelstenne receives no multi-year variable compensation.
Compensation allocated to directors in respect of the directorship <sup>(3)</sup>	67,000	Gross compensation amount allocated for 2021. This compensation was paid at the beginning of 2022.
Extraordinary compensation	N/A	Mr. Charles Edelstenne receives no extraordinary compensation.
Share subscription options and/or performance share awards	N/A	Mr. Charles Edelstenne does not hold any share subscription options and was not granted any performance shares.
Indemnity upon start or termination of function	N/A	Mr. Charles Edelstenne receives no indemnity upon start or termination of function.
Non-compete indemnity	N/A	Mr. Charles Edelstenne receives no non-compete indemnity.
Additional retirement plan	N/A	No additional retirement plan was implemented by Dassault Systèmes SE.
Benefits in kind <sup>(4)</sup>	145	This benefit in kind is linked to a mandatory supplemental medical coverage.

(1) All compensation paid by Dassault Systèmes to Mr. Charles Edelstenne is paid by Dassault Systèmes SE, a company incorporated under the laws of France.

(2) See also paragraph 5.1.3.1 "Compensation of the Chairman of the Board." In 2021, Groupe Industriel Marcel Dassault (GIMD) paid Mr. Charles Edelstenne gross compensation of €910,284 as Chairman of GIMD.

(3) See also paragraph 5.1.3.3 "Directors' Compensation" on the conditions for distributing the annual budget allocated to Directors of Dassault Systèmes SE.

(4) In 2021, GIMD granted benefits in kind to Mr. Charles Edelstenne related to the use of a car for an estimated value of €10,326.

As a reminder:

#### Compensation granted with respect to 2020 and paid in 2021

Compensation elements	Amount (in euros)	Observations
Compensation allocated to directors in respect of the directorship	60,250	Gross compensation amount allocated for 2020. This compensation was paid at the beginning of 2021.

### 7.1.5.2 Compensation elements due or granted with respect to 2021 to Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer<sup>(1)</sup>

#### Compensation granted with respect to 2021

Compensation elements	Amount (in euros)	Observations
<b>Fixed compensation<sup>(2)</sup></b>	1,431,250	On March 18, 2021, the Board of Directors, on the proposal of the Compensation and Nomination Committee, set the gross annual fixed compensation of Mr. Bernard Charlès at €1,445,000, representing a 4% increase compared with 2020. This came into effect on April 1, 2021, the date on which the 2021 annual salary review for the Company's employees came into effect. Therefore, the gross compensation paid to Mr. Bernard Charlès in 2021 amounts to €1,431,250.
<b>Annual variable compensation</b>	1,734,000	Variable gross compensation with respect to 2021 actually earned and decided by the Board of Directors of March 15, 2022, upon the proposal of the Compensation and Nomination Committee. The methods for determining this compensation (performance criteria and rate of achievement) are set out in Table 2 "Summary of the compensation of each Executive Officer" in paragraph 5.1.4. This compensation will be paid in 2022 subject to approval by the General Meeting of May 19, 2022 of the elements of the compensation of Mr. Bernard Charlès, the Vice chairman of the Board of Directors and Chief Executive Officer, for 2021.
<b>Deferred annual variable compensation</b>	N/A	Mr. Bernard Charlès receives no deferred annual variable compensation.
<b>Multi-year variable compensation</b>	N/A	Mr. Bernard Charlès receives no multi-year annual variable compensation.
<b>Compensation allocated to directors in respect of the directorship<sup>(3)</sup></b>	47,000	Gross compensation amount allocated for 2021. This compensation was paid at the beginning of 2022.
<b>Extraordinary compensation</b>	N/A	Mr. Bernard Charlès receives no extraordinary compensation.
<b>Granting of share subscription options and/or performance share awards<sup>(5)(6)</sup></b>	40,845,000 <sup>(4)</sup>	Mr. Bernard Charlès was granted 300,000 2021-B shares by the Board of Directors' meeting on June 29, 2021 (as part of the process of associating him with the Company's capital). This number was multiplied by five to attain a total of 1,500,000 following the five-for-one stock split of Dassault Systèmes shares that occurred on July 7, 2021.
<b>Indemnity upon start or termination of function</b>	N/A	Mr. Bernard Charlès will receive, under certain conditions, an indemnity upon the termination of his functions, the amount of which will not exceed two years of compensation and will depend on the achievement of performance conditions for the payment of his variable compensation. In accordance with Article L. 225-42-1 of the French Commercial Code then in force, this commitment on the part of Dassault Systèmes SE was authorized by the Board of Directors on March 15, 2018 and approved by the General Meeting on May 22, 2018 (6th resolution) <sup>(6)</sup> .
<b>Non-compete indemnity</b>	N/A	Mr. Bernard Charlès receives no non-compete indemnity.
<b>Additional retirement plan</b>	N/A	No additional retirement plan was implemented.
<b>Benefits in kind</b>	17,577	These benefits in kind are linked to a mandatory supplemental medical coverage and use of a vehicle made available to Mr. Bernard Charlès by Dassault Systèmes SE.

(1) All compensation paid by the Company to Mr. Bernard Charlès is paid by Dassault Systèmes SE, a company incorporated under the laws of France.

(2) See also paragraph 5.1.3.2 "Compensation of the Chief Executive Officer".

(3) See also paragraph 5.1.3.3 "Directors Compensation" on the conditions for distributing the annual budget allocated to directors of Dassault Systèmes SE.

(4) Value based on the method chosen for the consolidated financial statements before the spreading of the expense and taking into account the performance criteria.

(5) Such shares are granted to Mr. Bernard Charlès as part of the gradual process of associating him with the Company's capital that began several years ago, with the aim of ultimately recognizing his entrepreneurial role for over 35 years with Dassault Systèmes and providing him with an equity stake comparable to that of founders of companies in the same sector, or more generally, of his peers in technology companies around the world.

(6) See also paragraph 5.1.3.2 "Compensation of the Chief Executive Officer".

As a reminder:

**Compensation granted with respect to 2020 and paid in 2021**

<b>Compensation elements</b>	<b>Amount</b> <i>(in euros)</i>	<b>Observations</b>
<b>Annual variable compensation</b>	1,600,000	Variable gross compensation with respect to 2020 actually earned and decided by the Board of Directors of March 18, 2021, upon the proposal of the Compensation and Nomination Committee. This compensation was paid in 2021 following approval by the General Meeting of the compensation elements of Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer, for 2020.
<b>Compensation allocated to directors in respect of the directorship</b>	40,250	Gross compensation amount allocated for 2020. This compensation was paid at the beginning of 2021.

## 7.1.6 Information contained in the corporate governance report relating to the compensation of Corporate Officers (*mandataires sociaux*) (Article L. 22-10-9, I of the French Commercial Code)

In accordance with the provisions of Article L. 22-10-34, I of the French Commercial Code, the following information is submitted for your approval:

### Information referred to in Section I of Article L. 22-10-9 of the French Commercial Code.

<b>Total compensation and benefits of any kind paid in 2021 or granted with respect to 2021 and the relative proportion of fixed and variable compensation</b>	See paragraphs 5.1.4 and 5.1.5
<b>Use of the option of requesting the repayment of variable compensation</b>	N/A
<b>Undertakings made by the Company in connection with the termination or change of office or subsequent to the performance of such office and the estimated amount liable to be paid on that basis</b>	See paragraph 5.1.3.2, page 225
<b>Any compensation paid or granted by a company within the scope of consolidation</b>	N/A
<b>Equity ratios</b>	See paragraph 5.1.4, pages 228 and 229
<b>Annual change in compensation, the Company's performance, average compensation on a full-time equivalent basis of the Company's employees (other than management) and equity ratios over the last five or more fiscal years</b>	See paragraph 5.1.4, page 230
<b>Explanation of how the total compensation reflects the compensation policy adopted, including how it contributes to the long-term performance of the Company, and how the performance criteria have been applied.</b>	See paragraph 5.1.4, page 228
<b>Taking into account the vote of the last Ordinary General Meeting provided for in Article L. 22-10-34, I of the French Commercial Code</b>	N/A
<b>Any deviation from the procedure for implementing the compensation policy and any derogation applied</b>	N/A
<b>Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (irregular composition of the Board of Directors)</b>	N/A

## 7.1.7 Compensation Policy for Corporate Officers (*mandataires sociaux*)

In accordance with the provisions of Articles L. 22-10-8, I and R. 22-10-14 of the French Commercial Code, the corporate governance report (see paragraph 5.1.3 "Compensation Policy for Corporate Officers (*mandataires sociaux*)") describes the

compensation policy for corporate officers set by the Board of Directors, submitted for your approval in accordance with Article L. 22-10-8, II of the French Commercial Code.

## 7.1.8 Reappointment of four Directors

The terms of office as a director of Mr. Charles Edelstenne, Mr. Bernard Charlès, Mr. Pascal Daloz and Mr. Xavier Cauchois are due to expire at the General Meeting of May 19, 2022.

It is proposed to re-elect them for a four-year term, i.e. until the General Meeting called to approve the financial statements for the year ending December 31, 2025.

Mr. Charles Edelstenne is currently Chairman of the Board of Directors after having previously held the positions of

Manager and then Chairman and Chief Executive Officer of Dassault Systèmes of which he is the founder.

Mr. Bernard Charlès is Vice chairman of the Board (since 2016) and Chief Executive Officer (since 2002), after sharing executive functions with Mr. Charles Edelstenne since 1995.

Mr. Pascal Daloz, who joined Dassault Systèmes in 2001, is the Chief Operating Officer.

The Board of Directors proposes to the General Meeting to renew the terms of office as a director of Mr. Charles Edelstenne, Mr. Bernard Charlès and Mr. Pascal Daloz.

If these terms are renewed, during its meeting to be held following the General Meeting of May 19, 2022, in accordance with the recommendation of the Compensation and Nomination Committee, the Board expects to renew the terms of office of (i) Chairman of the Board of Directors for Mr. Charles Edelstenne and (ii) Vice chairman of the Board and Chief Executive Officer for Mr. Bernard Charlès.

To ensure a balance of power within the Board of Directors, the Board appointed a lead director from among the independent directors on March 15, 2022.

Ms. Laurence Daures-Lescourret is therefore now responsible for the prevention and management of conflicts of interest within the Board, for making recommendations on the operation of the Board and for overseeing its formal evaluation. In addition, she may request an ad hoc meeting of the independent directors when a key strategic decision is submitted to the Board (for an exhaustive list of her duties, see the paragraph "Main provisions of the Board's internal regulation" below).

With 30 years of experience in auditing and consulting, notably with clients in the technology sector, Xavier Cauchois has strong financial and accounting skills. He has been an

independent director since 2018, and since May 2019 has been the Chairman of the Audit Committee. His in-depth knowledge of the subjects concerned enables him to preside with a high degree of technical expertise over the Audit Committee's work, on which he regularly reports to the Board of Directors. As part of the formal evaluation carried out in 2021, the Directors expressed their great satisfaction with the functioning of the Audit Committee and the reports made to the Board.

If the term of office as a director of Mr. Xavier Cauchois is renewed, the Board plans to renew his mandate as member and Chairman of the Audit Committee.

The targets applicable to the Board's composition, in particular in terms of diversity, and the full biographies of Mr. Charles Edelstenne, Mr. Bernard Charlès, Mr. Pascal Daloz and Mr. Xavier Cauchois can be found in paragraph 5.1.1.1 "Composition of the Board of Directors."

If all the mandates proposed for renewal are renewed, the Board of Directors would have 10 members, excluding directors representing employees, including 50% women and 50% independent directors. These proportions go beyond the legal requirements and recommendations of the AFEP-MEDEF Code<sup>(1)</sup>.

All of the Board's Committees would remain wholly composed of independent directors.

## 7.1.9 Authorization to Repurchase Shares of Dassault Systèmes

The authorization to repurchase shares of the Company granted to the Board of Directors at the General Meeting of May 26, 2021 will expire at the General Meeting of May 19, 2022. Within the framework of this authorization, share buybacks were carried out in 2021 (these transactions are described in paragraph 6.2.4 "Share Buyback Programs") and also in early 2022. They were carried out for the purposes of covering the Company's obligations resulting from share grants, of canceling a portion of the shares bought back, and of maintaining an active market and providing liquidity for Dassault Systèmes shares. An active market is maintained by an investment services provider operating under a liquidity agreement between Dassault Systèmes SE and Oddo BHF SCA. This agreement was amended in 2019 to comply with the new requirements of Decision No. 2018-01 of July 2, 2018 of the French Financial Markets Authority (AMF), since

replaced by AMF Decision No. 2021-01 of June 22, 2021, and was tacitly renewed for the 2022 fiscal year.

Share buybacks made between January 1 and the date of the General Meeting will be described in the Universal registration document for the year ending on December 31, 2022.

It is proposed to reauthorize the Board of Directors to repurchase Dassault Systèmes shares, in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code, within a limit of 20 million shares, i.e. approximately 1.5% of the share capital as of December 31, 2021, within the limits set by the applicable regulations. The maximum amount of funds dedicated to the repurchase of Dassault Systèmes shares may not exceed €1 billion.

Should you approve this proposal, the authorization will be valid until the Annual General Meeting approving the financial statements for the year ending December 31, 2022.

(1) 1 As a reminder, the proportion of female representation and independent directors does not include the directors representing employees, in accordance with Articles 9.3 of the AFEP-MEDEF Code and Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code, respectively.

This authorization may be used for the following purposes:

- 1) cancel shares for the purpose of increasing the profitability of shareholders' equity and earnings per share, subject to adoption by the Extraordinary General Meeting of the resolution permitting shares to be canceled;
- 2) meet obligations related to stock option grants or other allocations of shares to employees or corporate officers of Dassault Systèmes SE or of an affiliated company;
- 3) provide shares upon exercise of rights attached to securities giving access to the share capital of Dassault Systèmes SE;
- 4) maintain an active market or provide liquidity for Dassault Systèmes shares through the intermediary of an investment services provider by means of a liquidity contract complying with the Financial Markets Authority (AMF)'s accepted market practice;
- 5) implement any stock-exchange market practice which may be accepted by law or by the Financial Markets Authority (AMF);
- 6) deliver shares in the context of external growth transactions, in particular through mergers, demerger, partial demerger or contributions in kind.

The acquisition, sale, transfer or exchange of such shares may be completed at any time in accordance with the applicable legal provisions and regulations except during a public offering period.

The share buyback program is described in this Universal registration document in paragraph 6.2.4 "Share Buyback Programs," where all relevant information is presented.

In light of the possible cancellation of the repurchased shares, we propose that you also authorize the Board of Directors to cancel, as the case may be, for the same period, all or a portion of the shares which it has repurchased and to reduce in a corresponding amount the share capital, within a limit of 5% of its amount per 24-month period.

## 7.1.10 Setting the Amount of Compensation for Directors

It is proposed to the General Meeting to increase the overall annual compensation allocated to directors, currently set at €800,000, to the amount of €900,000 for the current and subsequent fiscal years.

This proposed increase follows the appointment of a lead independent director whose role will be compensated. As the utilization rate of the annual amount to be allocated to directors is approaching 100%, the Board of Directors wishes

to leave itself the flexibility to organize additional meetings of the Board and its Committees if necessary.

Subject to the approval by the General Meeting of May 19, 2022 of the compensation policy for corporate officers and of the new overall amount of compensation for 2022, the Board of Directors decided at its meeting of March 15, 2022 to (i) maintain the allocation criteria established in 2020 and 2021, and (ii) allocate an additional annual compensation of €20,000 to the recently appointed lead independent director.

## 7.1.11 Financial authorizations for issuances reserved to employees and corporate officers (*mandataires sociaux*)

The compensation policy implemented by Dassault Systèmes must serve the ability to attract, to motivate and to retain key employees and executives with the diversity of talents and the high level of skills required for the Company's various activities, the competition in the labor market for such employees being intense.

The members of the Executive team and key employees of Dassault Systèmes may be granted long-term incentives notably through grants of Dassault Systèmes performance shares or share subscription options. Dassault Systèmes employees also had the opportunity in 2021 to subscribe to an employee shareholding offer (see paragraph 5.1.5. "Interests of Executive Management and Employees in the Share Capital of Dassault Systèmes SE").

### Capital increase for members of corporate savings plans

To enable the implementation of employee shareholding operations, it is proposed to authorize the Board of Directors to increase the share capital reserved for members of a corporate savings plan.

To facilitate the structuring of this offer in certain countries outside of France, it is also proposed to authorize the Board of Directors to increase the share capital for the benefit of a category of beneficiaries.

The maximum nominal global amount of the capital increases that may be carried out under these authorizations would be €1 million through the issuing of new shares or securities giving access to share capital.

These two authorizations would supersede those granted by the General Meeting on May 26, 2021.

Information relating to the use by the Board of Directors of the authorizations granted by the General Meeting of May 26,

2021 can be found in paragraph 5.1.5 "Interests of executive management and employees in the share capital of Dassault Systèmes SE".

## 7.1.12 Delegations of authority for mergers

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The delegation of authority granted to the Board of Directors by the General Meeting of May 26, 2020 to decide on one or more mergers by absorption, and to increase the share capital accordingly by issuing new shares, will expire at the General Meeting of May 19, 2022.

It is proposed to renew the authorization granted to the Board of Directors to (i) decide mergers by absorption of one or more other companies, and to (ii) increase the share capital accordingly, so as to enable the Board of Directors to take advantage at any time of opportunities for transactions for external growth, consolidation or internal reorganization and to optimize the structuring and timing of such transactions.

If you decide to renew this authorization, the Board of Directors will have the opportunity, for a period of 26 months, to take the following actions:

- to undertake, on one or more occasions, mergers by absorption in the context of transactions in which the Company is the absorbing company; and
- to undertake share capital increases in consideration of such mergers, within the limit of €10 million in nominal share value. This limit will count toward the overall nominal amount for all capital increases that may be carried out under the fourteenth resolution of the General Meeting of Shareholders of May 26, 2021 or by any other resolution proposed for the same purpose that may succeed it.

## 7.2 Text of the draft resolutions proposed by the Board of Directors to the General Meeting of May 19, 2022

### Ordinary General Meeting

#### First resolution

##### *Approval of the parent company annual financial statements*

The General Meeting, after the reading of the management report of the Board of Directors and the report of the Statutory Auditors, in addition to the explanations made orally, hereby approves the report of the Board of Directors and the parent company annual financial statements for the year ended December 31, 2021, as they have been presented.

The General Meeting consequently approves any transactions disclosed in these financial statements or summarized in these reports.

#### Second resolution

##### *Approval of the consolidated financial statements*

The General Meeting, after the reading of the report of the Board of Directors with respect to management of Dassault Systèmes included in the management report and the report related to the consolidated financial statements of the Statutory Auditors, in addition to the explanations made orally, hereby approves in all respects the report of the Board of Directors and the consolidated financial statements for the year ended December 31, 2021, as they have been presented.

The General Meeting consequently approves any transactions disclosed by such consolidated financial statements or summarized in such reports.

#### Third resolution

##### *Allocation of the results*

The General Meeting, upon the proposal of the Board of Directors, hereby resolves to allocate the profit of the year amounting to €431,259,400.24<sup>(1)</sup> as follows:

– to the legal reserve	€70,354.68
– to a special reserve account <sup>(2)</sup>	€34,000.00
– for distribution to the 1,332,716,653 shares forming the share capital as of 12/31/2021 of a dividend of (€0.17 x 1,332,716,653 shares) <sup>(3)</sup>	€226,561,831.01
– to retained earnings	€204,593,214.55
which, increased by the retained earnings from previous years of €2,737,981,454.38, brings the amount of retained earnings to	€2,942,574,668.93

(1) This profit, increased by the retained earnings from previous years of €2,737,981,454.38 and after allocation to the legal reserve and the special reserve account, results in a distributable profit of €3,169,136,499.94.

(2) In compliance with Article 238 bis AB, paragraph 5, of the French General Tax Code.

(3) The aggregate amount of the dividend will be adjusted according to the change in the number of shares between January 1, 2022 and the date of this General Meeting. The capital increase in January 2022 linked to the "Together" employee shareholding plan, the cancellation of the corresponding number of shares in order to neutralize the dilutive effect of this plan and the exercise of share subscription options will thus be taken into account, it being specified that the maximum number of shares that may be issued on the exercise of options is 15,562,399, representing a maximum additional dividend of €2,645,607.83.

Shares will be traded ex-dividend on May 23, 2022 and the dividend will be paid on May 25, 2022.

On the date of payment, the amount of the dividend corresponding to (i) the treasury shares of Dassault Systèmes SE and (ii) the Dassault Systèmes shares held by SW Securities LLC, a company which is controlled by Dassault Systèmes, will be allocated to "retained earnings," in accordance with the provisions of Article L. 225-210 of the French Commercial Code and the contractual provisions in force between SW Securities LLC and Dassault Systèmes SE.

In addition, prior to distribution of the dividend, the Board of Directors, or if so authorized, the Chief Executive Officer will determine the number of additional shares issued as a result of the exercise of share subscription options between January 1, 2022 and the date of this General Meeting. The amount required for payment of dividends for shares issued during this period will be taken from "retained earnings."



The amount distributed in this way to individual shareholders resident in France for tax purposes will be, where applicable:

- either subject to a flat-rate withholding tax of 30% (12.8% income tax and 17.2% social security contributions) (Article 117 quater of the French Tax Code);
- or, if an individual option is expressly and irrevocably exercised each year across the board for all income from securities, taken into account in determining shareholders' total income subject to the progressive rate of income

tax for the year in which it is received (Article 200A of the French Tax Code), after application of an uncapped deduction of 40% (Article 158-3-2 of the French Tax Code). Dividends taxed at the progressive rate of income tax are also subject to social security contributions at a rate of 17.2%.

Pursuant to Article 243 bis of the French Tax Code, it is noted that dividends per share paid over the last three years have been as follows:

	2020	2019	2018
Dividend <sup>(1)</sup> (in euros)	0.56	0.70	0.65
<i>After adjustment in order to reflect the five-for-one stock split of Dassault Systèmes shares in effect as of July 7, 2021</i>	<i>0.11</i>	<i>0.14</i>	<i>0.13</i>
Number of shares eligible for dividends <sup>(2)</sup>	262,608,350	260,681,320	259,679,976

(1) Dividend 100% eligible for the 40% deduction provided for in Article 158-3-2 of the French Tax Code.

(2) The numbers of shares indicated do not take into account the five-for-one stock split of Dassault Systèmes shares in effect as of July 7, 2021.

## Fourth resolution

### *Related-party agreements*

The General Meeting, having reviewed the special report of the Statutory Auditors on the agreements governed by Articles L. 225-38 et seq. of the French Commercial Code, acknowledges the report, which does not include any new agreements.

## Fifth resolution

### *Appointment of Principal Statutory Auditors*

The General Meeting, having reviewed the report of the Board of Directors, decides to appoint KPMG S.A., member of the *Compagnie Régionale des Commissaires aux comptes de Versailles*, Tour Eqho, 2 avenue Gambetta – 92066 Paris-La Défense Cedex, as principal Statutory Auditors for a period of six fiscal years, i.e., until the General Meeting of Shareholders approving the financial statements for the fiscal year ending on December 31, 2027.

## Sixth resolution

### *Compensation Policy for corporate officers (mandataires sociaux)*

The General Meeting, having reviewed the report drawn up in accordance with Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, approves the compensation policy for corporate officers (*mandataires sociaux*) set by the Board of Directors and contained in paragraph 5.1.3 "Compensation Policy for Corporate Officers (*mandataires sociaux*)" of Chapter 5 "Corporate Governance" of the Universal registration document for 2021.

## Seventh resolution

### *Compensation elements paid in 2021 or granted with respect to 2021 to Mr. Charles Edelstenne, Chairman of the Board of Directors*

The General Meeting, having reviewed the report drawn up in accordance with Articles L. 225-37 and L. 22-10-9 of the French Commercial Code, approves the compensation elements paid in 2021 or granted with respect to 2021 to Mr. Charles Edelstenne, Chairman of the Board of Directors, as indicated in paragraph 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)" of Chapter 5 "Corporate Governance" of the Universal registration document for 2021.

## Eighth resolution

### *Compensation elements paid in 2021 or granted with respect to 2021 to Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer*

The General Meeting, having reviewed the report drawn up in accordance with Articles L. 225-37 and L. 22-10-9 of the French Commercial Code, approves the compensation elements paid in 2021 or granted with respect to 2021 to Mr. Bernard Charlès, Vice chairman of the Board of Directors and Chief Executive Officer, as indicated in paragraph 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)" of Chapter 5 "Corporate Governance" of the Universal registration document for 2021.

## Ninth resolution

***Approval of the information contained in the corporate governance report and relating to the compensation of corporate officers (mandataires sociaux) (Article L. 22-10-9 of the French Commercial Code)***

The General Meeting, having reviewed the report drawn up in accordance with Articles L. 225-37 and L. 22-10-9 of the French Commercial Code, approves the information of the corporate governance report on the compensation of corporate officers (*mandataires sociaux*) mentioned in Article L. 22-10-9, I of the French Commercial Code and contained in paragraphs 5.1.4 "Summary of the Compensation and Benefits due to Corporate Officers (*mandataires sociaux*)" and 5.1.3.2 "Compensation of the Chief Executive Officer" of Chapter 5 "Corporate Governance" of the Universal registration document for 2021.

## Tenth resolution

***Reappointment of Mr. Charles Edelstenne***

The General Meeting notes that Mr. Charles Edelstenne's term of office as a director expires at this General Meeting and re-appoints him for a four-year period. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2025.

## Eleventh resolution

***Reappointment of Mr. Bernard Charlès***

The General Meeting notes that Mr. Bernard Charlès' term of office as a director expires at this General Meeting and re-appoints him for a four-year period. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2025.

## Twelfth resolution

***Reappointment of Mr. Pascal Daloz***

The General Meeting notes that Mr. Pascal Daloz's term of office as a director expires at this General Meeting and re-appoints him for a four-year period. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2025.

## Thirteenth resolution

***Reappointment of Mr. Xavier Cauchois***

The General Meeting notes that Mr. Xavier Cauchois' term of office as a director expires at this General Meeting and re-appoints him for a four-year period. This term of office will expire at the General Meeting approving the financial statements for the year ending December 31, 2025.

## Fourteenth resolution

***Authorization to repurchase Dassault Systèmes shares***

The General Meeting, having reviewed the report of the Board of Directors, authorizes the Board of Directors to purchase a maximum of 20 million Dassault Systèmes shares, in accordance with the terms and conditions stipulated in Articles L. 22-10-62 *et seq.* of the French Commercial Code, Articles 241-1 *et seq.* of the Financial Markets Authority (AMF) General Regulation, Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse ("MAR Regulation"), and Commission Delegated Regulation (EU) no. 2016/1052 of March 8, 2016 supplementing the MAR Regulation.

This authorization may be used by the Board of Directors for the following purposes:

- 1) cancel shares for the purpose of increasing the profitability of shareholders' equity and earnings per share, subject to adoption by the Extraordinary General Meeting of the resolution permitting shares to be canceled;
- 2) meet obligations related to stock option grants or other allocations of shares to employees or corporate officers (*mandataires sociaux*) of Dassault Systèmes or of an affiliated company;
- 3) provide shares upon exercise of rights attached to securities giving access to the share capital of Dassault Systèmes;
- 4) maintain an active market or provide liquidity for Dassault Systèmes shares through the intermediary of an investment services provider by means of a liquidity contract complying with the Financial Markets Authority (AMF)'s accepted market practice;
- 5) implement any stock-exchange market practice which may be accepted by law or by the Financial Markets Authority (AMF);
- 6) deliver shares in the context of external growth transactions, in particular through mergers, demerger, partial demerger or contributions in kind.

The acquisition, sale, transfer or exchange of such shares may be effected by any means allowed on the market (whether or not the market is regulated), multilateral trade facilities (MTF) or through a systematic internalizer or over-the counter, in particular acquisitions of blocks.

The acquisition, sale, transfer or exchange of such shares may be completed at any time in accordance with the applicable legal provisions and regulations except during a public offering period.

The maximum amount of funds dedicated to the repurchase of Company shares may not exceed €1 billion, this condition being cumulative with the cap of 20 million Dassault Systèmes shares.

This authorization can be used by the Board of Directors for all the treasury shares held by Dassault Systèmes.

This authorization will be valid commencing on the date of this General Meeting until the Annual Ordinary General Meeting approving the financial statements for the year ending December 31, 2022. The General Meeting hereby grants

any and all powers to the Board of Directors with option of delegation when legally authorized, to place any stock orders or orders outside the market, enter into any agreements, prepare any documents including information documents, determine terms and conditions of Company transactions on the market, as well as terms and conditions for purchase and sale of shares, file any declarations, including those required by the Financial Markets Authority (AMF), accomplish any formalities, and more generally, carry out any necessary measures to complete such transactions.

The General Meeting also grants any and all powers to the Board of Directors, in case that the Law or the Financial Markets Authority (AMF) appears to extend or to complete the authorized objectives concerning the share buyback program, in order to inform the public, pursuant to applicable regulations and laws, about the potential changes of the program concerning the modified objectives.

## Extraordinary General Meeting

### Sixteenth resolution

***Authorization granted to the Board of Directors to reduce the share capital by cancellation of previously repurchased shares in the framework of the share buyback program***

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, hereby authorizes the Board of Directors, pursuant to the provisions of Article L. 22-10-62 of the French Commercial Code, to:

- reduce the share capital by canceling, in one or more transactions, some or all of the shares repurchased by the Company under its share buyback program, subject to a limit of 5% of the share capital in each 24-month period;
- deduct the difference between the repurchase value of the canceled shares and their nominal value from available premiums and reserves.

The General Meeting hereby gives, more generally, any and all powers to the Board of Directors to set the terms and conditions of such share capital reduction(s), record the completion of the share capital reduction(s) made pursuant to the cancellation transactions authorized by this resolution, amend the by-laws of the Company as may be necessary, file any declaration with the Financial Markets Authority (AMF) or other institutions, accomplish any formalities and more generally take any necessary measures for the purposes of completing this transaction.

This authorization is granted to the Board of Directors for a period expiring at the end of the General Meeting called to approve the financial statements for the year ending December 31, 2022.

In accordance with the provisions of Articles L. 225-211 and R. 225-160 of the French Commercial Code, the Company or the intermediary in charge of securities administration for the Company shall keep registers which record purchases and sales of shares pursuant to this program.

This authorization replaces and supersedes the previous share buyback program authorized by the Combined General Meeting of Shareholders of May 26, 2021, in its twelfth resolution.

### Fifteenth resolution

***Setting the amount of Compensation for Directors***

The General Meeting sets the amount of compensation granted by the Board of Directors to directors at €900,000 for the current and subsequent fiscal years, until a further decision by the General Meeting on this issue.

### Seventeenth resolution

***Authorization of the Board of Directors to increase the share capital for the benefit of members of a corporate savings plan, without preferential subscription rights***

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, pursuant to the provisions of Articles L. 3332-1 *et seq.* of the French Labor Code and Articles L. 225-138-1 and L. 225-129-6, first and second paragraphs, of the French Commercial Code:

- 1) delegates to the Board of Directors its authority to increase the share capital of the Company, in one or more transactions, at its sole discretion, by a maximum nominal amount of €1 million through the issue of new shares or other securities giving access to the Company's share capital under the conditions prescribed by law, reserved for members of corporate savings plans of the Company and/or its affiliated entities within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
- 2) resolves to cancel the preferential subscription rights of shareholders to the new shares to be issued or to other securities giving access to share capital and securities to which these securities give entitlement under this resolution for the benefit of the members of the plans referred to in the previous paragraph and waives the rights to the shares or other securities that would be allocated through the application of this resolution;
- 3) resolves that the maximum nominal amount that may be issued under this delegation will count toward the overall nominal amount for capital increases of €12 million set in the fourteenth resolution of the General Meeting of May 26, 2021;

- 4) resolves that the subscription price for the new shares will be at least 85% of the average listed price of the Company's shares on Euronext Paris in the 20 trading days preceding the day on which subscriptions open. However, the General Meeting of Shareholders expressly authorizes the Board of Directors, if it deems it appropriate, to reduce or cancel the above-mentioned discount, within the legal and regulatory limits, in order to take account of, *inter alia*, the legal, accounting, tax and social security rules applicable locally;
- 5) resolves that the Board of Directors may also replace all or part of the discount with the free allocation of shares or other securities giving access to the Company's share capital, whether existing or to be issued, it being specified that the total benefit resulting from this allocation and, if applicable, from the discount mentioned above, cannot exceed the total benefit that members of the savings plan would have received if this difference had been 15%;
- 6) resolves that the Board of Directors may provide for, pursuant to Article L. 3332-21 of the French Labor Code, the free allocation of shares or other securities giving access to the Company's share capital to be issued or already issued under a bonus scheme, provided that the inclusion of their monetary value, valued at the subscription price, does not result in the legal or regulatory limits being exceeded;
- 7) resolves that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors according to the conditions laid down by the regulations;
- 8) resolves that the Board of Directors will have all the necessary powers, with the option for delegation or sub-delegation, in accordance with the legal and regulatory provisions, within the limits and under the conditions specified above, to determine all the terms and conditions of transactions and, in particular, to decide on the amount to be issued, the issue price and the terms of each issue, and to define the terms for the free allocation of shares or other securities giving access to the share capital, under the authorization given above, to determine the opening and closing dates for subscriptions, to set, within the maximum limit of three years, the period granted to subscribers to pay for their shares, to determine the date, which may be retroactive, from which the new shares will be eligible for dividends, to apply for their admission to listing on the stock market wherever they are advised to do so, to record the share capital increase in the amount of shares effectively subscribed for, to make all necessary arrangements to carry out the share capital increases, carry out all formalities arising therefrom and amend the by-laws accordingly, and at its sole discretion, and if it deems it appropriate, to deduct the fees involved in carrying out the share capital increases from the premiums relating to these increases as well as the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase;
- 9) decides that this authorization cancels all previous authorizations relating to share capital increases reserved for members of corporate savings plans, and in particular, that granted by the General Meeting of Shareholders of May 26, 2021 in its twenty-first resolution.

The authorization thus granted to the Board of Directors is valid for twenty-six months from the date of this General Meeting.

## Eighteenth resolution

### *Delegation of authority granted to the Board of Directors to increase the share capital for the benefit of a category of beneficiaries, without preferential subscription rights*

The General Meeting, having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, pursuant to the provisions of Articles L. 225- 129- 2 and L. 225-138 of the French Commercial Code:

- 1) delegates to the Board of Directors its authority to increase the share capital of the Company, in one or more transactions, at its sole discretion, by a maximum nominal amount of €1 million through the issue of new shares or other securities giving access to the Company's share capital, reserved to the category of beneficiaries as defined below;
- 2) resolves that the maximum nominal amount that may be issued under the present delegation will count toward (a) the overall nominal amount for capital increases of €12 million fixed in the fourteenth resolution of the General Meeting of May 26, 2021, and (b) the maximum nominal amount fixed in the seventeenth resolution of this General Meeting;
- 3) resolves to cancel the preferential subscription rights of the shareholders to the shares to be issued or other securities giving access to share capital and securities to which these securities give entitlement to be issued under this resolution and to reserve the subscription rights to the category of beneficiaries having the following characteristics: (i) any entity held by a bank or any bank, which participates, at the request of the Company in the implementation of a structured offering for employees and corporate officers (*mandataires sociaux*) of companies related to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, and having their registered office outside France; (ii) and/or employees and corporate officers (*mandataires sociaux*) of companies related to the Company under the conditions set out in Articles L. 225-180 and L. 233-16 of the French Commercial Code, and having their registered office outside France; (iii) and/or collective investment vehicles (OPCVM) or any other employee shareholding vehicle invested in the Company's securities, irrespective of whether it is a legal entity, the unitholders of which will be the persons referred to in (ii) above;
- 4) resolves that the subscription price for the new shares will be at least 85% of the average listed price of the Company's share on Euronext Paris on the 20 trading days preceding the day of the corporate decision setting

the opening day of the subscription period carried out on the basis of the seventeenth resolution. However, the General Meeting of Shareholders expressly authorizes the Board of Directors, if it deems it appropriate, to reduce or cancel the above-mentioned discount, within the legal and regulatory limits, in order to take account of, *inter alia*, the legal, accounting, tax and social security rules applicable locally;

- 5) resolves that the characteristics of the other securities giving access to the Company's share capital will be determined by the Board of Directors according to the conditions laid down by the regulations;
- 6) resolves that the Board of Directors will have all the necessary powers, with the option for delegation or sub-delegation, in accordance with the legal and regulatory provisions, within the limits and under the conditions specified above, to determine all the terms and conditions of transactions and, in particular, to decide on the amount to be issued, the issue price and the terms of each issue, set the list of beneficiaries of the cancellation of the preferential subscription rights within the category defined above and the number of shares to be subscribed by each of them, to determine the opening and closing dates for subscriptions, to determine the date, which may be retroactive, from which the new shares will be eligible for dividends, to apply for their admission to listing on the stock market wherever they are advised to do so, to record the share capital increase in the amount of shares effectively subscribed for, to make all necessary arrangements to carry out the share capital increases, carry out all formalities arising therefrom and amend the by-laws accordingly, and at its sole discretion, and if it deems it appropriate, to deduct the fees involved in carrying out the share capital increases from the premiums relating to these increases as well as the sums necessary to increase the legal reserve to one tenth of the new share capital after each increase;
- 7) resolves that this delegation cancels the delegation of the same nature granted by the Combined General Shareholders' Meeting of May 26, 2021 in its twenty-second resolution.

The delegation thus granted to the Board of Directors is valid for eighteen months from the date of this General Meeting.

## Nineteenth resolution

### *Delegation of authority to the Board of Directors to decide on one or more mergers by absorption*

The General Meeting, after review of the report of the Board of Directors:

- 1) delegates to the Board of Directors, pursuant to the provisions of Articles L. 236-9, II of the French Commercial Code, its authority to decide, on one or more occasions and at its sole discretion, on one or more mergers by absorption

in the context of transactions in which the Company is the absorbing company;

- 2) notes, where applicable, that in accordance with Article L. 236-9, II paragraph 4, one or more shareholders of the Company representing at least 5% of the share capital may apply to the courts, within the time limit set by the applicable regulations, for the appointment of a proxy to convene the General Meeting of the Company to vote on the approval of the merger or draft terms of merger;
- 3) resolves that the Board of Directors may not, without prior authorization by the General Meeting, use this authorization as from the filing by a third party of a draft public offer for the Company's shares until the end of the offering period;
- 4) resolves that this delegation cancels the delegation of the same nature granted by the Combined General Shareholders' Meeting of May 26, 2020 in its seventeenth resolution.

The authorization thus granted to the Board of Directors is valid for twenty-six months from the date of this General Meeting.

## Twentieth resolution

### *Delegation of authority to the Board of Directors to increase the share capital by issuing shares, in the event that the Board of Directors uses the authorization granted to the Board of Directors to decide on one or more mergers by absorption*

The General Meeting, after review of the report of the Board of Directors:

- 1) authorizes the Board of Directors, pursuant to Articles L. 236-9, II and L. 225-129 to L. 225-129-5 of the French Commercial Code, to decide to increase the share capital by issuing shares in the event of one or more mergers by absorption decided on by the Board of Directors under the nineteenth resolution of this General Meeting and requiring a capital increase;
- 2) resolves that the Board of Directors can delegate to the Chief Executive Officer, or in agreement with the latter, to one or more *Directeurs Généraux Délégués*, in accordance with the applicable law, all the powers required to decide upon capital increases;
- 3) resolves that the maximum nominal amount of the capital increases that may be carried out immediately or in the future under the present authorization cannot exceed €10 million, it being specified that this overall cap is fixed not taking into account the nominal amount of the shares to be issued to preserve the rights of holders of securities or other rights giving access to the Company's share capital, in accordance with the applicable legal and regulatory provisions and, where applicable, the contractual provisions allowing other adjustments;

- 4) resolves that the maximum nominal amount that may be issued under this resolution will count toward the overall nominal amount for capital increases of €12 million set in the fourteenth resolution of the General Meeting of May 26, 2021 or by any other resolution having the same purpose that may succeed it during the period of validity of this authorization;
  - 5) resolves that any issue of preference shares and securities giving access to preference shares is excluded;
  - 6) resolves that the Board of Directors may not, without prior authorization by the General Meeting, use this authorization as from the filing by a third party of a draft public offer for the Company's shares until the end of the offering period;
  - 7) resolves that this delegation cancels the delegation of the same nature granted by the Combined General Shareholders' Meeting of May 26, 2020 in its eighteenth resolution.
- The authorization thus granted to the Board of Directors is valid for twenty-six months from the date of this General Meeting.

## Ordinary and Extraordinary General Meeting

### Twenty-first resolution

#### *Powers for formalities*

The General Meeting hereby grants any and all powers to the bearer of an original, a copy or an excerpt of the minutes of these deliberations for the purpose of carrying out any legal formalities for publication.

## Cross-reference tables

### Annual Financial Report

The cross-reference table below allows to identify the information included in the Universal registration document provided by the Article L. 451-1-2 of the Monetary and Financial French Code and by the Article 222-3 of the General Regulation of the *Autorité des marchés financiers*.

Annual Financial Report	Universal registration document	
	Paragraphs	Pages
1. Parent Company Financial Statements	4.2.1	169
2. Consolidated Financial Statements of the Group	4.1	124
3. Management report	See Annual management report cross-reference table below	
4. Certification of the Person Responsible for the Universal registration document	-	3
5. Statutory Auditors' Report on the Parent Company Financial Statements	4.2.3	193
6. Statutory Auditors' report on the Consolidated Financial Statements	4.1.2	163

## Annual Management Report

The cross-reference table below identifies in the Universal registration document the information included in the Annual Management Report to be provided by the Company's Board of Directors, as required by Articles L. 225-100 *et seq.* of the French Commercial Code.

Annual management report	Universal registration document	
	Paragraphs	Pages
1. Business Trends Analysis	3.1	108
2. Analysis of Results	3.1	108
3. Financial Operations Analysis	3.1	108
4. Description of Main Risks and Uncertainties	1.9	39
5. Financial Instruments Use	4.1.1 – Notes 2, 20	130, 153
6. Risk Factors such as Pricing, Credit, Liquidity in Cash and Treasury	1.9.2	44
7. Information Required by the Article L. 225-211 of the French Commercial Code, Relating to the Shares Repurchases	6.2.4	267
8. Situation during the Fiscal year 2021	3.1, 4.1.1, 4.2.1	108, 124, 169
9. Foreseeable Trend of the Situation	3.1, 3.2	108, 121
10. Substantial Events Occurred since the End of 2021	4.1.1– Note 28, 4.2.1– Note 23, 3.2	162, 191, 121
11. Research and development activities	1.5	29
12. Existing branches	6.1.1.6	262
13. Business and Results of Operations of the Parent Company Dassault Systèmes SE	1.4, 1.6.1, 4.2	16, 32, 168
14. Business and Results of the parent Company's Subsidiaries during the Fiscal Year 2021	1.4, 1.6.2	16, 33
15. Financial and non-financial key performance indicators	1.7, 1.8, 2	34, 36, 47
16. Selected Financial Information of Dassault Systèmes SE over the Last Five Fiscal Years	4.2.2	192
17. Employees' Involvement in the Capital of the Issuer the Last Day of the Fiscal Year	6.3.1	269
18. Declaration of extra-financial performance	1.8, 2	36, 47
19. Equity Holdings or Controlled Companies, Subsidiaries with a French Head-Office	4.2.1 – Notes 1, 24	172, 191
20. Table of Transactions in the Company's Shares by the Management of the Company	5.3	255
21. Information on the Payment Cycles for Suppliers and Customers	4.2.1 – Notes 13, 19	181, 188
22. Report on Corporate Governance	5.1	202
23. Dividends Paid over the Last Three Fiscal Years	7.1.1	276
24. Evolution and repartition of the shareholding (including treasury shares)	6.3.1	269
25. Financial risks linked to climate change and measures taken to reduce them through the implementation of a low-carbon strategy	2	47
26. Main characteristics of internal control procedures and risk management procedures	5.2	251
27. Vigilance plan	2.6	78



## Cross-reference table including the Delegated Regulation no. 2019/980 – Annex 1 items

The cross-reference table below identifies the information included in the Universal registration document and mentioned in the Delegated Regulation no. 2019/980 dated 14 March 2019, in its Annex 1.

European directive – Annex 1 items	Universal registration document	
	Paragraphs	Pages
<b>1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS REPORTS AND COMPETENT AUTHORITY APPROVAL</b>		
1.1 Name and function of the persons responsible		3
1.2 Declaration of the persons responsible		3
1.3 Persons acting as expert	Not applicable	
1.4 Declaration regarding information sourced from third party	Not applicable	
1.5 Declaration regarding the competent authority approval		1
<b>2. STATUTORY AUDITORS</b>	<b>5.4</b>	<b>259</b>
<b>3. RISK FACTORS</b>	<b>1.9</b>	<b>39</b>
<b>4. INFORMATION ABOUT THE ISSUER</b>		
4.1 Legal and commercial name	6.1.1	262
4.2 Place of registration, registration number and legal entity identifier	6.1.1.2	262
4.3 Date of incorporation and length of life	6.1.1.3	262
4.4 Domicile and legal form, legislation under which the issuer operates, its country of incorporation, address, telephone number of its registered office and website	6.1.1	262
<b>5. BUSINESS OVERVIEW</b>		
5.1 Principal activities	1.4.1	18
5.2 Principal markets	1.4.2	21
5.3 Important events in the development of the issuer's business	None	
5.4 Strategy and objectives	1.4.1	18
5.5 Information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing process	1.9	39
5.6 Basis for any statements made by the issuer regarding its competitive position	1.4.1, 1.5	18, 29
5.7 Investissements	1.5.4	31
<b>6. ORGANIZATIONAL STRUCTURE</b>		
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6.2 List of the significant subsidiaries	1.6.2	33
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<b>8. CAPITAL RESOURCES</b>	<b>3.1.4</b>	<b>118</b>
<b>9. REGULATORY ENVIRONMENT</b>	<b>1.9.1.3</b>	<b>40</b>
<b>10. TREND INFORMATION</b>	<b>1.9.1.1</b>	<b>39</b>
<b>11. PROFIT FORECASTS OR ESTIMATES</b>	<b>3.2</b>	<b>121</b>
<b>12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>		
12.1 Information relating the Board of Directors and Senior Management	5.1.1, 5.1.2	203, 223
12.2 Administrative, Management and Supervisory Bodies and Senior Management Conflicts of Interests	5.5	259
<b>13. REMUNERATION AND BENEFITS</b>		
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## SASB Cross-Reference Table



The Sustainability Accounting Standards Board (SASB) Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization, with the mission to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors.

The SASB Foundation operates in a governance structure similar to the structure adopted by other internationally recognized bodies that set standards for disclosure to investors, including the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB).

This structure includes a Board of Directors (“the Foundation Board”) and a standards-setting board (“the Standards Board” or “the SASB”). The Standards Board develops, issues, and maintains the SASB standards. The Foundation Board oversees the strategy, finances and operations of the entire organization, and appoints the members of the Standards Board.

The cross-reference table below identifies the information included in this report and related to the sustainable development topics included in the materiality map defined by the Sustainability Accounting Standards Board (SASB) for Software & IT Services industry.

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<b>Human Capital</b>		
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	2.4.2 “Protect Intellectual Property and Personal Data”	62
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## United Nations' Global Compact Communication On Progress (COP)



The United Nations Global Compact is a non-binding United Nations pact to encourage businesses and companies worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet

fundamental responsibilities in the areas of Human rights, labor rights, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they operate, and know that good practices in one area do not offset harm in another. By incorporating the ten Principles the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

Global Compact Principles Active level	Description	Paragraph	Page
<b>Human Rights</b>			
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed Human rights; and	2.6.4	82
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<b>Labor</b>			
<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	2.3.4; 2.6.1	56; 78
<b>Principle 4</b>	The elimination of all forms of forced and compulsory labor;	2.6.1	78
<b>Principle 5</b>	The effective abolition of child labor; and	2.6.1	78
<b>Principle 6</b>	The elimination of discrimination in respect of employment and occupation.	2.3.5; 2.6.1	57; 78
<b>Environment</b>			
<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges;	2.5.1; 2.5.3; 2.7.2	66; 73; 91
<b>Principle 8</b>	Undertake initiatives to promote greater environmental responsibility; and	2.4.1; 2.5.2; 2.6.4	59; 67; 82
<b>Principle 9</b>	Encourage the development and diffusion of environmentally friendly technologies.	2.4.3; 2.5.2	64; 67
<b>Anti-Corruption</b>			
<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.	2.6.1; 2.6.2	78; 80



# Notes



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